



DERICHEBOURG



REGISTRATION DOCUMENT

including the annual financial report and the annual information document

2017 • 2018

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REGISTRATION DOCUMENT 2017•2018

including the annual financial report and the annual information document



This is a free translation of the registration document which was submitted to the French securities regulator on December 12, 2018 in accordance with Article 212-13 of its general regulation.

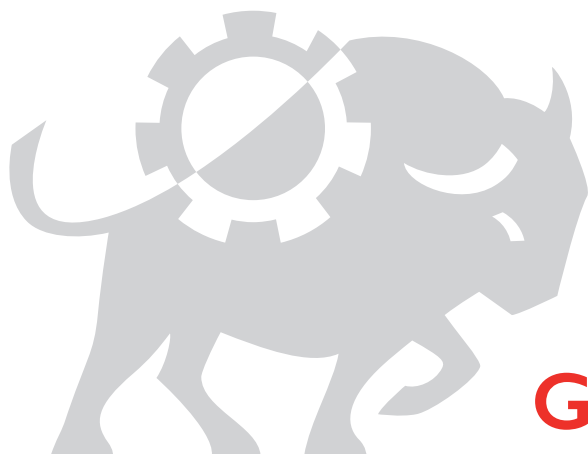
It may be used in support of a financial transaction if it is accompanied by a transaction note approved by the French securities regulator. This document was prepared by the issuer and its signatories are responsible for its content.

In application of Article 28 of EC regulation No. 809/2004, this document incorporates the following information by reference, which the reader is invited to consult:

- ▣ the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2017, as presented respectively on pages 33 to 89, 92 to 140 and 141 to 143 of the registration document filed with the French securities regulator on December 12, 2017 under number D.17-1102;
- ▣ the presentation of the entire Group's business activities, the Group's consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the fiscal year ended September 30, 2016, as presented respectively on pages 33 to 84, 95 to 148, and 149 of the registration document filed with the French securities regulator on December 12, 2016 under number D.16-1030;
- ▣ the Statutory Auditors' report on regulated agreements and commitments for the fiscal years ended September 30, 2017 and September 30, 2016, which are included in the Company's registration documents filed respectively with the French securities regulator on December 12, 2017 under number D.17-1102 on page 189, and on December 12, 2016 under number D.16-1030 on page 193.

Other information contained in the two registration documents referred to above has been, if necessary, replaced and/or updated by information provided in this registration document and is not incorporated by reference in this registration document.

Both registration documents referred to above are available on the Company's website at www.derichebourg.com, or on that of the French securities regulator at www.amf-france.org.



GROUP PROFILE

The Derichebourg Group is an **international benchmark** operator in **environmental** services to **businesses** and **local authorities**.

Its activities break down into two separate branches: **the Environmental division** and **the Multiservices division**. They are both based on the same set of core values and share a common ambition: **To serve people whilst protecting their environment**.

OUR ACTION

TO PROTECT THE ENVIRONMENT AND ITS RESOURCES

We preserve and optimize the planet's resources through our business of recycling waste produced by industries, local authorities and individuals.

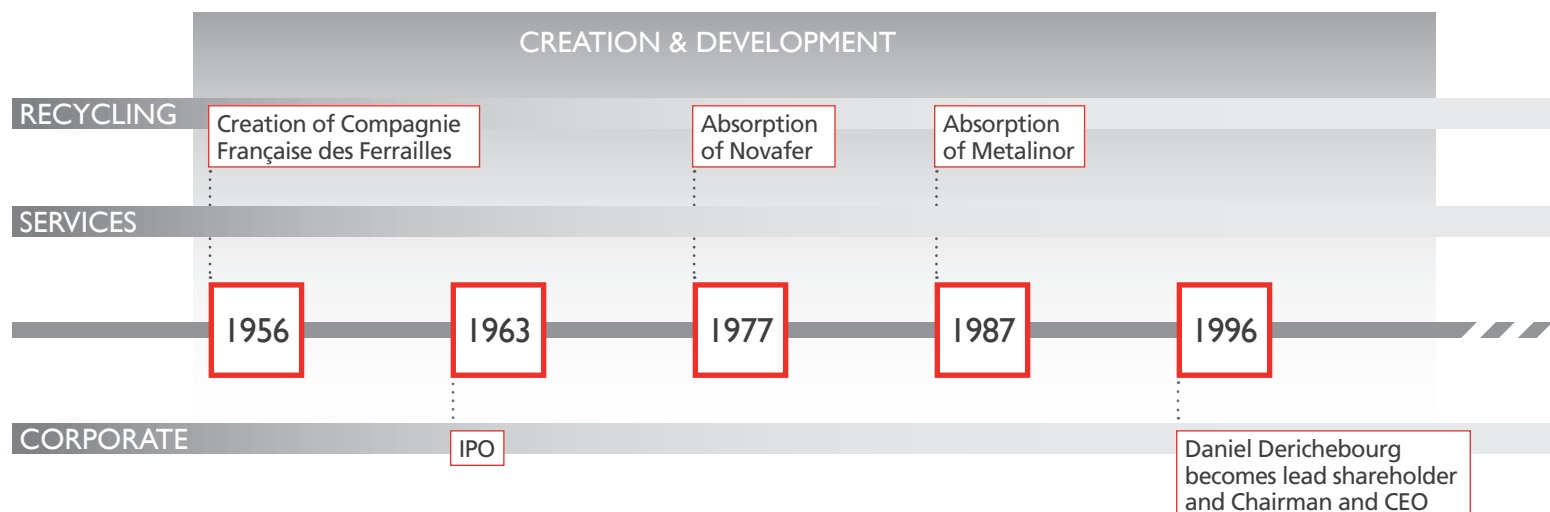
TO CLEAN UP THE URBAN ENVIRONMENT

We contribute to the cleanliness and the smooth running of the local environment for every person through our services to local and municipal authorities.

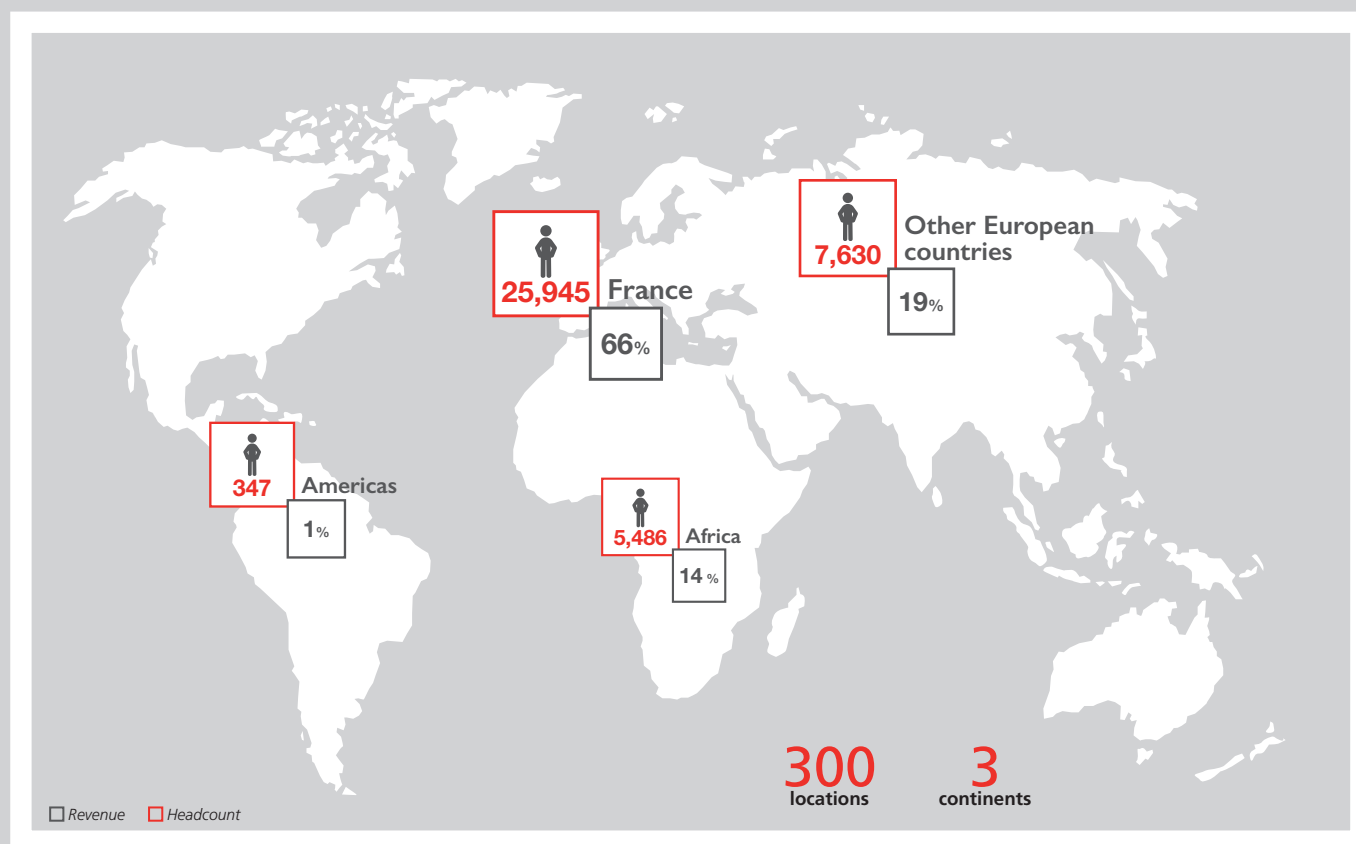
TO OPTIMIZE THE PROFESSIONAL ENVIRONMENT

We offer a wide range of services to businesses and to local authorities enabling them to outsource all transferable services and thus to focus fully on their core business.

A FRENCH RECYCLING LEGACY PLAYER THAT HAS GAINED CONSIDERABLE STRENGTH IN RECENT YEARS



BREAKDOWN OF REVENUE AND HEADCOUNT BY GEOGRAPHIC AREA



With operations in **13 countries** and over **300 locations** worldwide, Derichebourg designs its international sites to serve its customers locally and effectively, an essential approach both in France and throughout the world.

DIVERSIFICATION/RATIONALIZATION

CONSOLIDATION

Acquisition of Penauille Polyservices and merger of CFF Recycling

2005
2007

Disposal of Servisair in order to concentrate on the core business and reduce debt

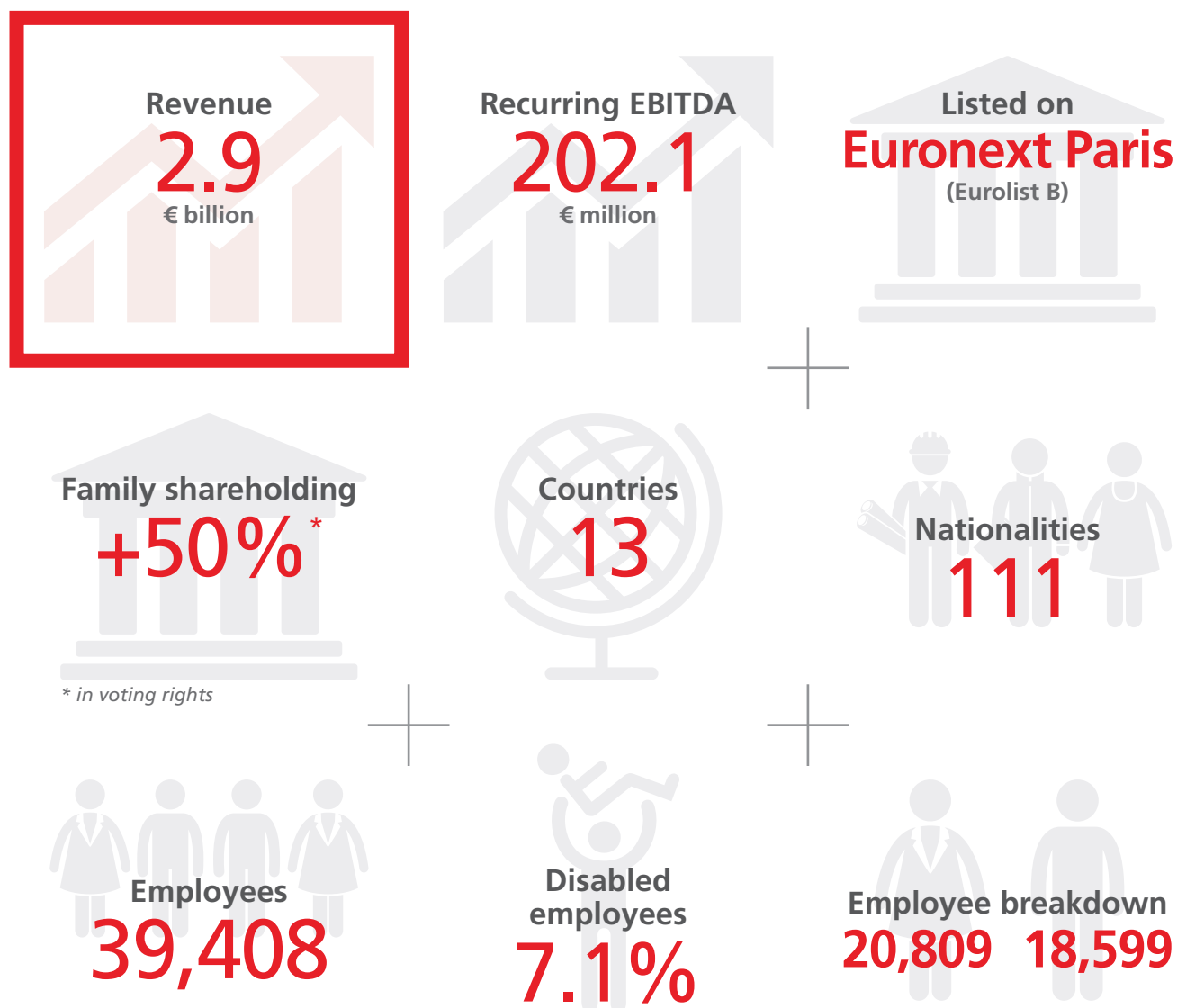
2013

Acquisition of 40 sites:
Valerio (10/2015)
Galloo IdF (01/2016)
SLG (01/2016)
Bartin (12/2016)

2015
2016

ECONOMIC PERFORMANCE

THE DERICHEBOURG GROUP



DERICHEBOURG ENVIRONNEMENT



Ferrous metals
processed
3.7
million tonnes



Non-ferrous metals
processed
541,000
tonnes

DERICHEBOURG MULTISERVICES



CSR report (serving as statement of extra-financial performance)

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I.1 Overview of businesses and business model

The Derichebourg Group is a key player at the international level in the provision of services to businesses and to local and municipal authorities.

The Group covers the entire waste recycling chain, from collection through to recuperation, as well as a full range of services to businesses and to local and municipal authorities. These include cleaning, temporary work, energy, aeronautic support and logistics, and sensitive sector services.

The Environmental Services' core business is the processing and disposal of waste – mainly metal waste – and of end-of-life products, with recovery of secondary raw materials by using appropriate processing methods.

Environmental Services have become a cornerstone in the international environmental protection policy.

The Environmental Services and Multiservices divisions are subject to different economic cycles.

The Group's historic business is the recycling of scrap metal. This activity is somewhat cyclical in nature and depends on the performance of the steel and metallurgy industries. In the mid-2000s, the desire to add a more resilient business to recycling led to the acquisition of Multiservices activities.

Main markets

Revenue by business segment	2018		2017		Change
	(in millions of euros)	(in %)	(in millions of euros)	(in %)	
Environmental Services	2,116	72%	1,949	71%	+9%
Business Services	803	28%	781	29%	+3%
Holding companies	1	0%	1	0%	0%
Total	2,920	100%	2,731	100%	+7%

Revenue by geographical area	2018		2017		Change
	(in millions of euros)	(in %)	(in millions of euros)	(in %)	
France	2,300	79%	2,148	79%	+7%
Other European countries	387	13%	388	14%	-0%
North and South America	181	6%	167	6%	+9%
Africa	50	2%	28	1%	+80%
Total	2,920	100%	2,731	100%	+7%

Published data are for the countries where the subsidiaries are located.

I.1.1 Environmental Services business

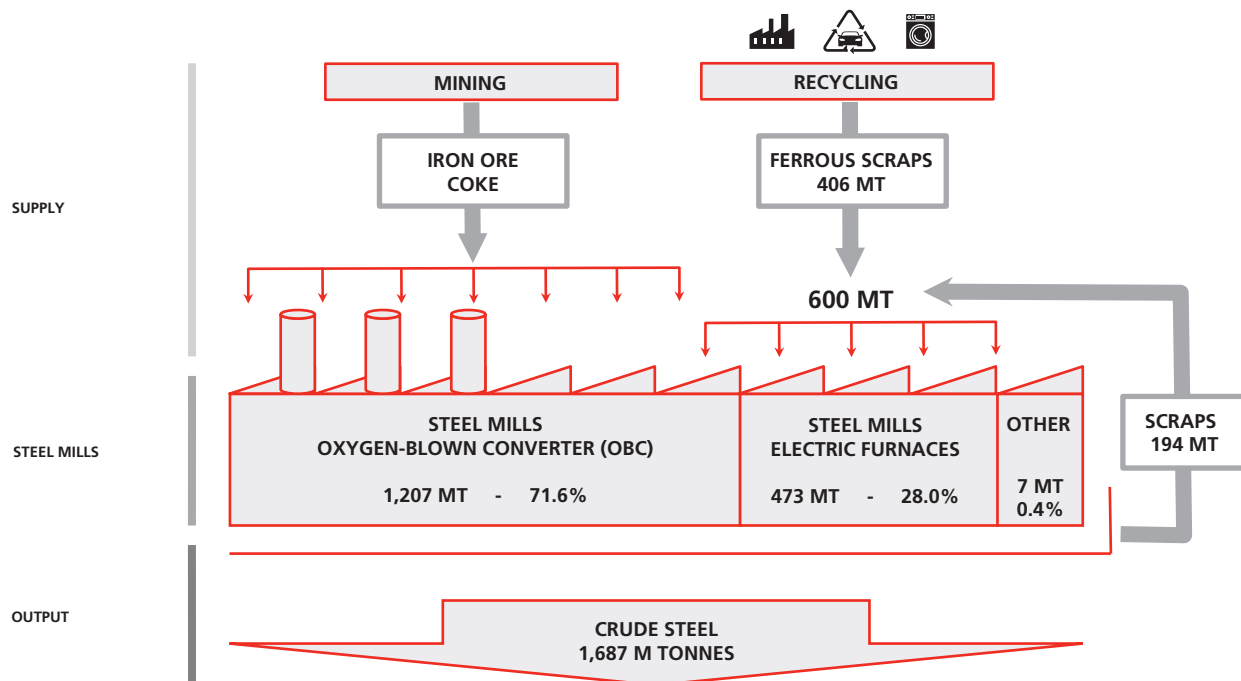
I.1.1.1 Recycling business

Since 1956, the business of Derichebourg Environment has been the collection, sorting, recycling and recuperation of ferrous and non-ferrous metals in end-of-life consumer goods (automobiles, waste electrical and electronic equipment, etc.), as well as in recuperation material (industrial demolition, for example) and new industrial waste from metal transformation processes (manufacturing waste).

I.1.1.1.1 The ferrous scrap metal recycling market

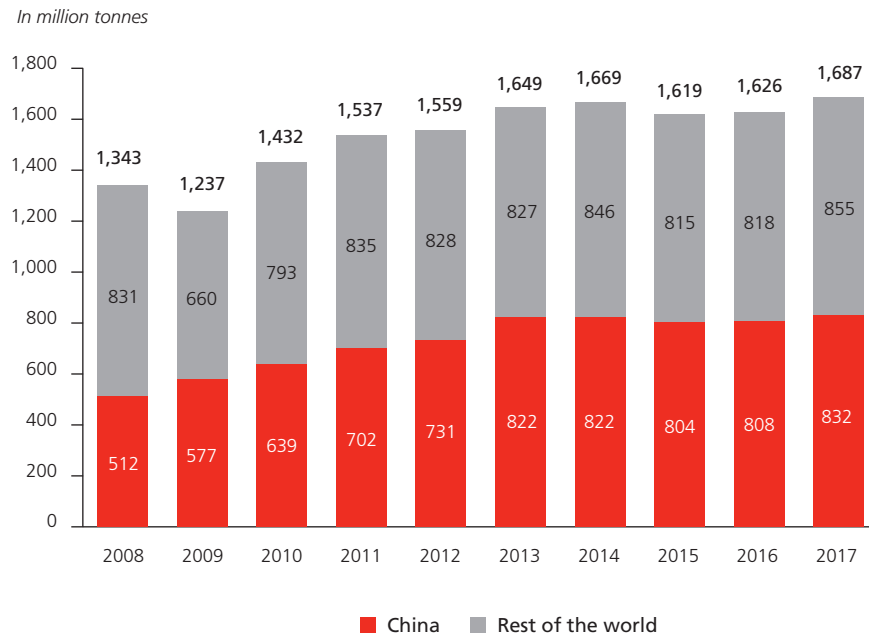
The ferrous scrap metal recycling market is at the interface between an upstream market (waste supply) and a downstream market (steel mill needs).

The annual ferrous scrap metal market is estimated at 600 million tonnes (source: BIR), of which 406 million tonnes are accessible to recycling companies, with the balance comprising steel waste that is recycled internally.



The following factors affect the ferrous scrap metal market:

- ▣ Global steel production



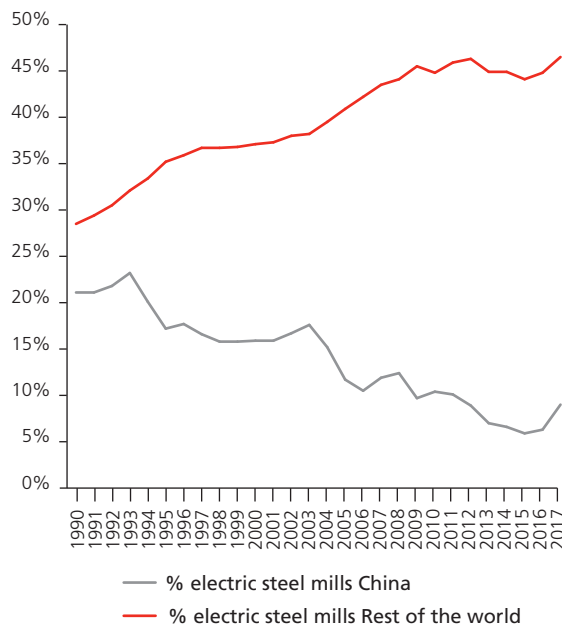
Source: Worldsteel Association.

Global steel production has grown 1.6% per year over the last five years. China alone accounts for 50% of global production.

□ Distribution of steel production between blast furnaces and electric steel mills

Blast furnaces consume iron ore, coke, and a small proportion of ferrous metals (10-15%), which reduces greenhouse gas emissions. Electric steel mills consume ferrous metals almost exclusively.

In theory, both types of mills can produce any type of steel. In practice, steel from electric mills is used to produce long steel and reinforcing bars. Coils are made mostly at blast furnaces.



As you can see in the previous graph, with the exception of China, the share of steel from electric steel mills tends to increase from year to year. The competitive advantages of steel from electric mills are as follows:

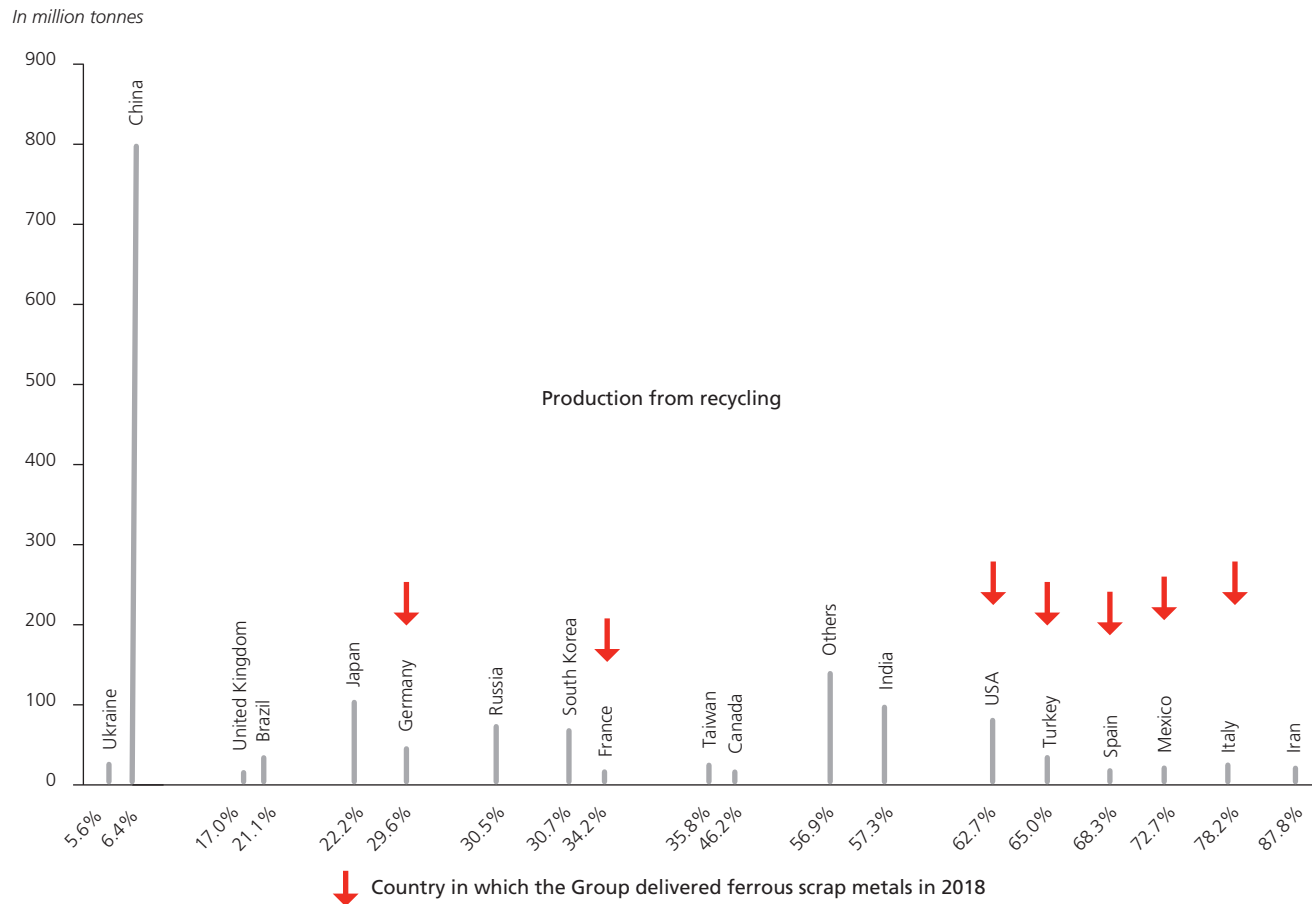
- less investment;
- increased flexibility of use, with the ability to stop and restart production;
- very clear environmental benefit (fewer greenhouse gas emissions per tonne produced) and energy benefit (less energy consumed per tonne produced) advantage compared to blast furnaces, especially in countries where the nuclear share of the energy mix is high;
- local supply;
- ease of access to steel production for developing countries thanks to lower investment.

However, blast furnaces generally have lower production costs per tonne.

In China, 90% of steel is produced in blast furnaces. To reduce pollution, it decided to encourage steel production by electric mills in the coming years, setting up its own ferrous scrap metal collection network.

Source: Worldsteel Association.

The share of steel from electric mills in other countries is detailed in the following graph:



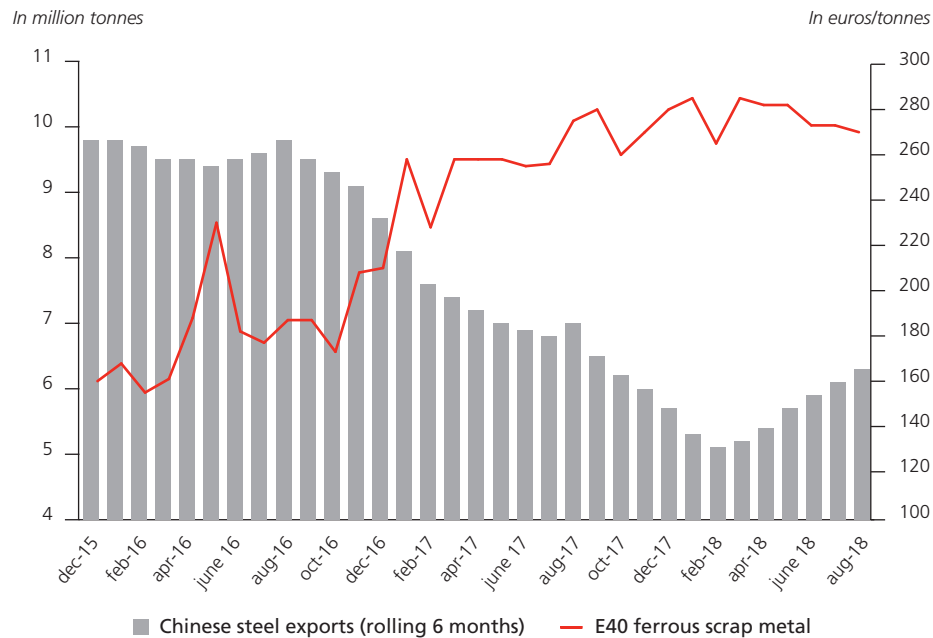
Source: Worldsteel Association.

Steel and ferrous scrap metal trade flows

The ferrous scrap metal market is also sensitive to international steel and ferrous scrap metal trade flows.

The intensity of Chinese steel exports significantly influences the European steel market and consequently its need for ferrous scrap

metal. Starting in mid-2016, China has sharply reduced its steel exports to Europe due to the strength of its domestic demand, which has allowed European and Turkish steelmakers to improve their production and sales in their local market. Group sales have benefited from this situation.



Source: Derichebourg.

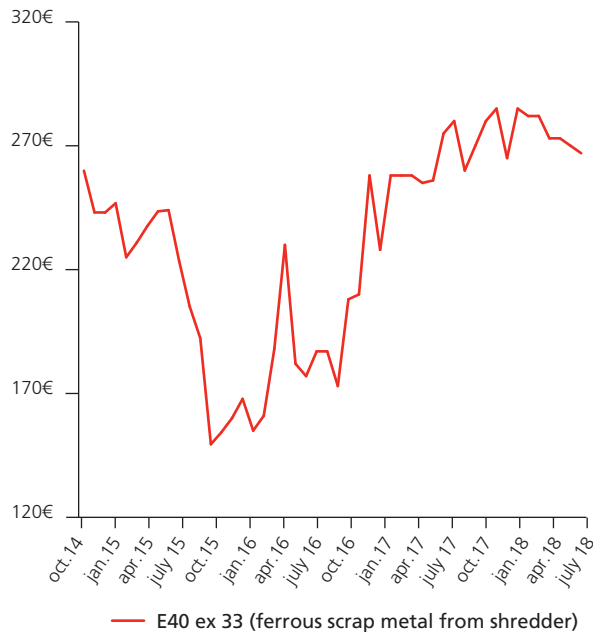
Turkey is the world's largest importer of ferrous scrap metal. It produces 35 Mt of steel, 65% of which comes from electric mills, with insufficient local raw materials, and imports about 21 Mt/year (20% of the global trade). Unlike domestic markets, where price negotiations with steel mills occur monthly, the Turkish market spot buys ships (up to 40,000 t). This means that changes in Turkish prices have an effect on the supply regions of the United States and Europe, which have a surplus of ferrous scrap metals. The economic situation in Turkey is also a factor that influences the ferrous scrap metal market.

In recent decades, globalization and the liberalization of international trade resulted in the virtual disappearance of customs tariffs.

Consequently, it was marginal demand that influenced world prices. Since the spring of 2018, the situation has changed, with the introduction of customs tariffs by the United States on the majority of steel imports.

The ferrous scrap metal recycling market is perceived as relatively volatile, insomuch as price and volume trends often compound: increased ferrous scrap metal demand by steelmakers will result in scarcity of the additional tonnes sought and put upward pressure on prices. If demand falls, the opposite happens.

The table below summarizes the price changes in shredded ferrous scrap metal (E40) in recent years:

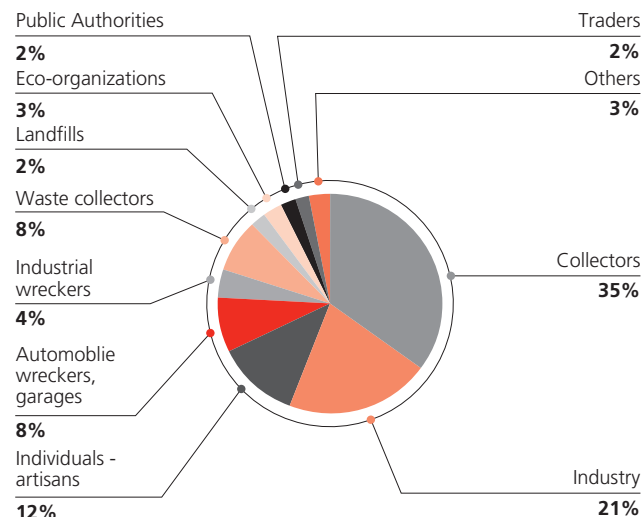


Source: Derichebourg.

Waste supply

End-of-life consumer goods (around 80%, including industrial demolition) and production waste from steel processing (around 20%) provide ferrous scrap metal purchasers with their supplies. The level of general economic activity therefore influences the availability of ferrous scrap metal.

For the Derichebourg Group, the breakdown of site inflows by type of supplier is as follows:

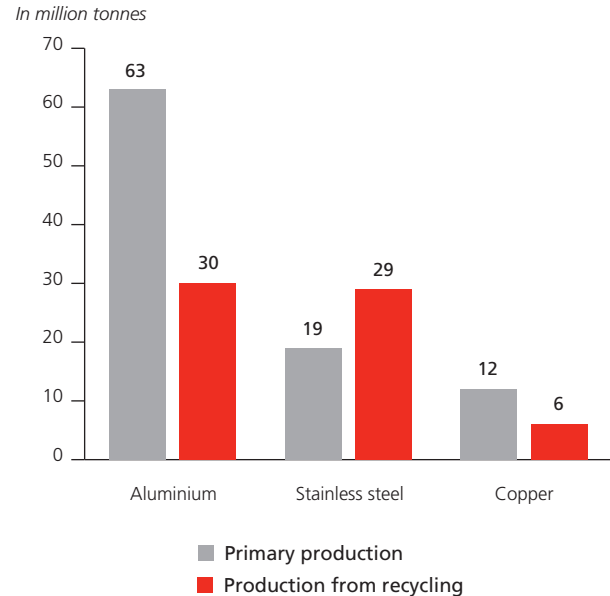


Source: Derichebourg.

1.1.1.1.2 The non-ferrous metals recycling market

The actors in both ferrous and non-ferrous scrap metal recycling are often the same. The volumes of non-ferrous metals processed by collectors are much lower (often one-tenth the volume) than for ferrous scrap metals. Conversely, unit prices are much higher, as are unit margins.

The table below summarizes global production of major non-ferrous metals, as well as the share of production from recycling.



Sources: World Aluminium, Centre d'Expertise sur l'Aluminium, Bureau of international recycling (Environmental Benefit of Recycling report, 2016), International Stainless Steel Forum.

The tonnage collected in France by NFM operators is 1.79 million tonnes (2016 figures) with an equivalent value of €2.91 billion.

For the French market, (82% of tonnage collected by the Group), the breakdown of non-ferrous metals collected is as follows:

- aluminum: 27%;
- lead and batteries: 13%;
- stainless and alloys: 11%;
- copper excluding cables and motors: 9%;
- copper cables: 7%;
- brass alloys: 5%;
- zinc: 5%;
- other: 23%.

Source: Federec, key recycling figures 2016.

NFM are found primarily in buildings, packaging, automobiles and industrial equipment. User industries are essentially foundries, refineries and other heavy industries

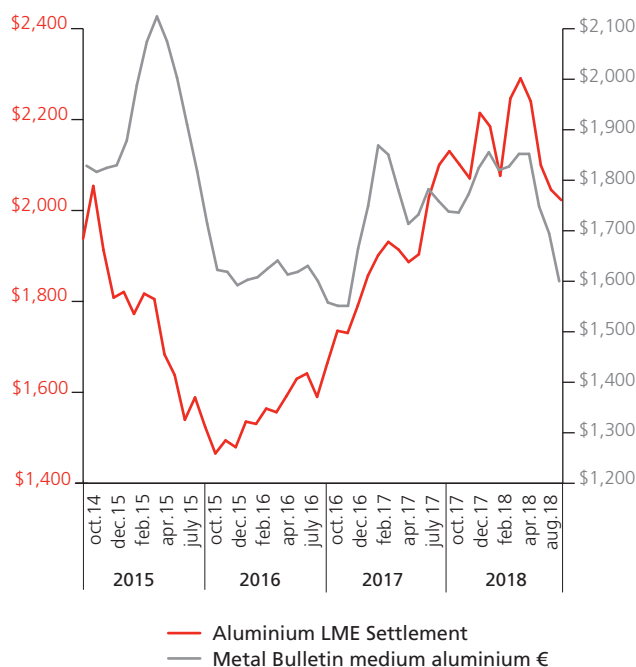
Recycling of end-of-life products will become increasingly essential since it is the only source of secondary non-ferrous metal, whereas primary resources are shrinking. Several other factors also favor the development of non-ferrous metal recycling. First, the production of primary ore is nonexistent in many areas of the world. Recycled products are thus the only "surface mine" available and are also a renewable source; in all cases, the reutilization of recuperated products leads to savings in raw materials.

In addition, the production of secondary, recycled products is much cheaper than manufacturing primary products from ore. Investments required are, on average, three to four times lower than for refining ore. Energy savings compared to the production of primary metal are about 60 to 80% for copper and 90 to 98% for aluminum – a clear-cut competitive advantage in a context of soaring energy costs and increasingly severe restrictions on greenhouse gas emissions in Europe.

Even so, production cost savings are partially offset by the costs of collection and by environmental restrictions in industrialized nations. These limitations are less restrictive in emerging countries, which increasingly use this type of production and import recuperated products.

The recuperation of end-of-life products alone accounts for approximately 35% of global NFM production (source: Bureau of international recycling). The global demand for non-ferrous metals correlates strongly with changes in the global industrial production index.

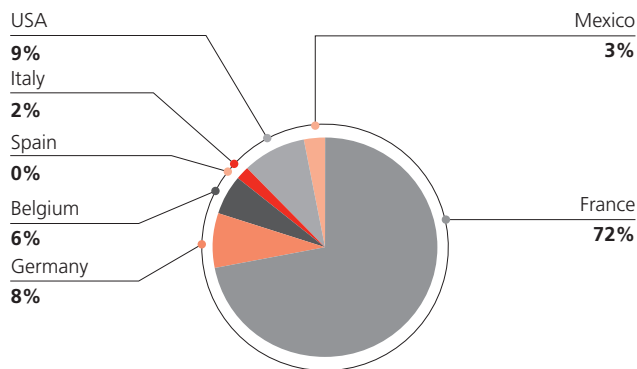
A major shift occurred in 2018, with China's decision to publish very strict specifications for impurity levels in 19 classes of products (including non-ferrous metals) in order to import them into China. These maximum rates are in practice very difficult to achieve, and the volume of Chinese imports has decreased significantly since the spring of 2018. Consequently, the volumes previously consumed by China have shifted to other markets, resulting in downward pressure on the prices of various non-ferrous metals. The tables below summarize the price changes for various metals.





I.1.1.1.3 Business portfolio

The Group's Recycling business is present in seven countries, with a predominant share of its business conducted physically in France. The table below breaks down the distribution of purchases by country (ferrous scrap metal + non-ferrous metals).



The Group operates in 200 recycling centers, of which 162 are in France.

This business employs about 2,600 employees.

In this activity, the features that distinguish the Group from its competitors are:

- the density of geographical coverage;
- the vertical integration made possible by this coverage: the Group's vast network allows it to cost-effectively install secondary processing lines (flotation, aluminum refinery, stainless steel waste mixture preparation, preparation of primary aluminum for extruders), which are supplied with flows from various sites, without the need for significant purchases outside the Group;
- the management of operations with a long-term perspective, which is reflected in particular by a low-inventory policy: 15 days of activity for ferrous scrap metal, 15 to 25 days for non-ferrous metals. In a period when prices are rising, the Group benefits less from recovery than some of its competitors who hold more inventory. It generally weathers lower-price periods better than its competitors, which may put it in a position as a consolidating actor at the bottom of the cycle.

I.1.1.1.3.1 Ferrous metals

The Group processed 3.75 million tonnes during the year, up 2.3% by volume from the previous year.

In France, the Group has the largest network in the sector (162 sites). Since transportation accounts for a large part of incoming waste costs, this proximity to waste production sites is strategic.

Derichebourg Environnement prepares ferrous scrap metal with 29 shredders and 72 shear balers to produce materials that comply with high-quality standards: elimination of impurities, compliance with specifications and calibration of batches. The recuperated products are destined primarily for electric steel mills, foundries and converters in the long steel industry.

In France, the Group estimates that it has a 16% to 17% share of the ferrous scrap metal collection market, and about 23% (Derichebourg estimate based on data from Federec) of the processing market (the difference between the two figures can be explained in particular by the tonnages purchased from waste collectors who do not have industrial facilities).

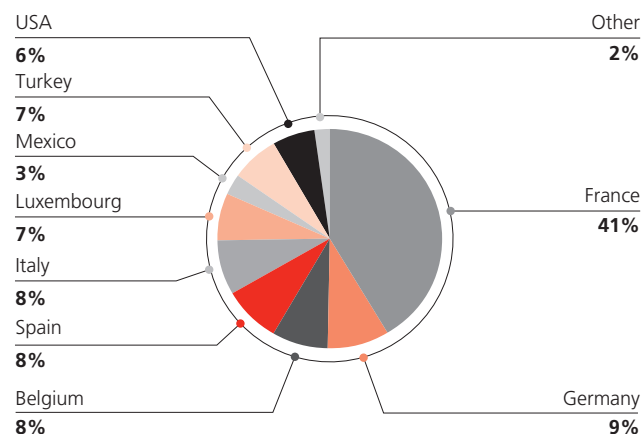
The second-largest actor with a national presence is the Ecore Group, whose share of the ferrous scrap metal processing market is around 15%-20% (source: Derichebourg).

Boone Comenor (Suez Environnement Group) is very active in tenders for the removal of waste from automobile factories.

In each region, the Group also competes with a large number of regional players that have a few sites.

Once prepared and sorted, volumes are sold to domestic steelmakers, or major exporters (about 10% of volumes) if the Group is close to port areas.

The table below shows the main destination areas of the Group's ferrous scrap metals.



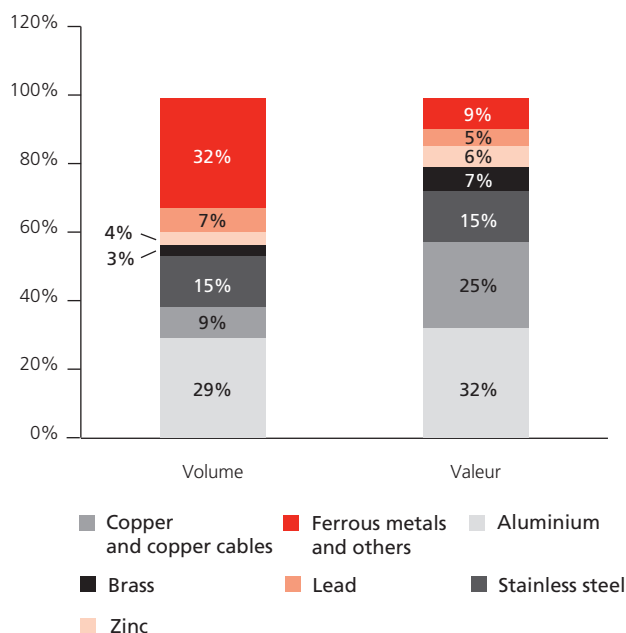
The Group is trying to keep its inventories low (about 15 days of activity) in order to limit its exposure to changes in ferrous scrap metal prices.

The Group does not operate any steel mills.

The Group's Shredding business generates shredding residues (a mixture of foam, plastic, glass, wood, etc.) that cannot be marketed as-is. The Group is conducting several development actions to constantly improve recovery rates (energy or material) and limit volumes sent to landfill, which amounted to more than 179,000 tonnes in 2018 (France scope).

1.1.1.1.3.2 Non-ferrous metals

The breakdown of revenue by metal is as follows:

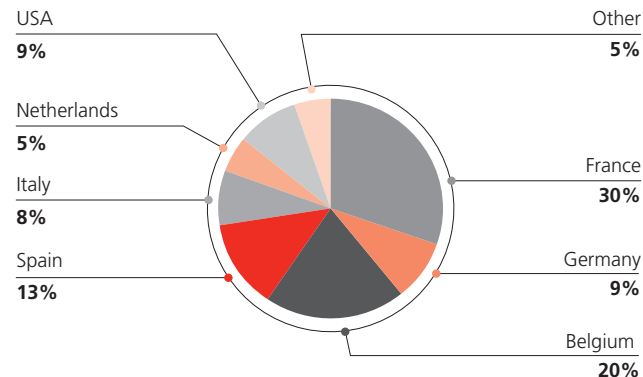


Compared to its competitors, the Group processes a larger relative volume of non-ferrous metals. Having a strong market share in non-ferrous metals is one of the Group's historic features. This reflects the diverse nature of flows processed:

- traditional purchasing, sorting, preparation of all non-ferrous metals;
- in addition, Derichebourg Environnement has equipped its main shredders with an induction separator and has two flotation units in Europe for the separation of aluminum from other heavy metals (copper, bronze, etc.). Dense aluminum (twitch) is made into ingots at the Refinal Industries Lille site. These ingots (AS9U3 quality) are sold mainly to automotive parts foundries. The Group's refinery produces 66,000 tonnes of secondary aluminum ingots. The Group has invested in a second refinery (rotary kiln) in Prémery (Nièvre), which will eventually produce 15,000 tonnes of ingots per year;
- the Inorec subsidiary prepares mixes of the various metals used in the composition of stainless steels, in accordance with customer specifications, so that they can be directly blasted;
- the Group prepares copper granulate from copper cables (about 3,000 t/year).

During the 2017-2018 fiscal year, the Group processed 540,700 tonnes of non-ferrous metals, a slight decrease compared to the previous year (-0.7%).

The table below breaks down the sales of non-ferrous metals (including stainless steel waste) by country of destination:



The portion of non-ferrous metal volumes exported to China is less than 5%.

I.1.1.1.3.3 Services provided

The Group also provides services (around €100 million/year) in the following areas:

I.1.1.1.3.3.1 Treatment of WEEE (Waste Electrical and Electronic Equipment)

In the context of the implementation of the directive on Extended Producer Responsibility, France has chosen to entrust the collection and processing of goods marketed in 15 segments to eco-organizations. Since the creation of these segments, the Derichebourg Group has positioned itself with eco-organizations that handle WEEE, mainly for processing activities. The Group processes 176,000 t/year of WEEE at 11 sites. The Group is present on three out of five WEEE streams:

- ▣ other non-cooling large household appliances (washing machines, dishwashers, stove tops);
- ▣ large cooling household appliances (refrigerators and freezers). For the processing of large cooling household appliances, Derichebourg Environnement has teamed up with one of the international leaders in the ecological processing of refrigeration products containing CFCs or HFCs in their refrigeration circuits or insulation. A 50%-owned subsidiary called Fricom Recycling has been created with this partner, Oeko-Service AG (better known under the name of SEG);
- ▣ small household appliances.

Derichebourg supports eco-organizations in the achievement of their objectives to increase volumes collected and recovered.

I.1.1.1.3.3.2 Management-distribution of end-of-life vehicles (collection, treatment and monitoring of materials) through its ECO-VHU subsidiary for car-makers

The Derichebourg Group has a network of over 300 approved dismantling plants in France (internal or third-party) enabling it to fulfill territorial network requirements, thereby putting the Group in a favorable position to sign framework contracts with car-makers and importers

I.1.1.1.3.3.3 Treatment of by-products from steel mills and other industries

The Group performs customized services such as the preparation of bailed ferrous scrap metal, which is used as cooling chutes, and may be called upon to manage steel mill ferrous scrap metal yards.

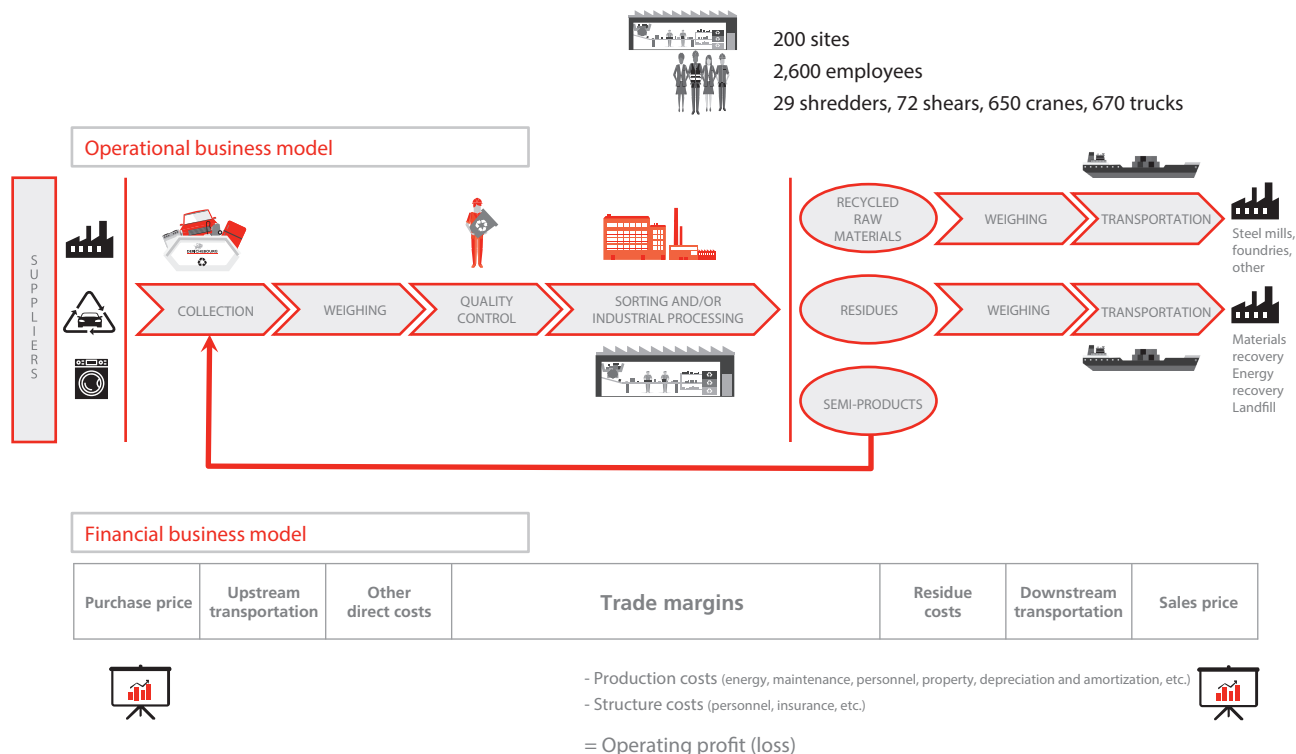
I.1.1.1.3.3.4 Collection of paper, cardboard, common industrial waste

The Group provides the customers in its regional network with collection and sorting services for common industrial waste, paper, and cardboard. During the year, the Revival subsidiary inaugurated a new facility in Noisy-le-Sec, in the Paris region, with a processing capacity of 88,000 t/year, which fits neatly into the urban landscape.

I.1.1.1.4 Business model for the Recycling business

Unlike other recyclable materials, metal waste has always had a positive value, with the exception of a few crisis periods in the steel industry. The Group therefore buys all of the ferrous metals that it processes and sells.

The chart below presents the business model for the Recycling business.



1.1.1.1.5 Group strategy in the Recycling business

The Group is currently the fourth-largest European actor in terms of revenue, behind EMR, TSR, and Chi-Ho Environmental Group (Scholz). The Group's ambition is to move up one place in the next five years, whether through organic or external growth.

The success of this ambition will depend on the following strategy:

- consolidate our position as leading supplier in steel and metallurgy by delivering products in line with customer specifications and expanding our customer base, especially for ferrous scrap metal;
- implement the best sorting technologies available, so that the full added value of the various products is maintained, and reduce the share of residue headed to landfill;
- have a management team that implements the same strategy uniformly throughout the Group, and train employees;
- update the Group's IT tools while leaving intact the main features that make it one of the most relevant tools in the market (knowledge of inventories and real-time margins at all Group sites);
- develop niche businesses where there are fewer players, such as induced heavy media plant, aluminum refining, and cold preparation of mixtures for steel mills that produce stainless steel. The Group also seeks to develop additional sorting for the non-ferrous metals that result from the shredding process. Ultimately, the Group aims to earn 20%-25% of revenue from the Recycling business in these segments;

- expand the collection network, in France and abroad by being present in each country as either a national or regional leader and explore external growth opportunities over the long term. The Group is well positioned to be a consolidator for a market at cyclical lows.

1.1.1.2 Public Sector Services business

The Group earns around €235 million in revenue in this business. It operates in the following countries: Canada, France, Italy, and Morocco.

The efficient management of household waste and urban cleaning is a major challenge for local authorities. It determines the quality of life of citizens and the fulfillment of economic, social and environmental obligations that are an increasing burden on them. Poly-Environnement (France), San Germano (Italy), Derichebourg Maroc (and its sister companies) and Derichebourg Canada handle all types of household waste and their collection processes: traditional and selective (glass, newspapers and magazines, household packaging, green waste, paper/cardboard, etc.), both door-to-door and by voluntary drop-off. These subsidiaries also collect roadside waste and large items, manage several household waste materials recovery facilities and transport waste to treatment and recycling facilities. Poly-Environnement offers to manage all aspects of local authorities' urban operations and cleaning (street sweeping, cleaning contaminated soil, public waste bins and containers, graffiti removal, etc.).

Poly-Environnement's subsidiaries also provide a door-to-door collection service for household and similar waste in four of the 10 Paris districts where waste collection is operated privately, and collection of household waste in three districts in Marseille (the 2nd, 15th and 16th).

San Germano operates in Piedmont, Lombardy, and Sardinia. After the balance sheet date, the Group signed an agreement with Iren Ambiente for the sale of the San Germano and CMT businesses as part of a refocusing on the Group's core business, a desire for improved return on capital employed, and a reduction in the scope of the Group's activities in Italy.

Derichebourg Maroc manages the collection of household waste in Marrakech, Rabat, and Casablanca.

Public contracts are usually for a period of five to seven years, and it is common for local authorities to request new equipment when they renew them.

The Group's strategy is to be the owner or economic beneficiary of all long-term assets that it uses frequently. The table below details the main families of assets and equipment used in the Recycling business:

Family	Number and comments
Land	400 hectares owned and operated
Shredders	29 shredders in use
Shears	72 shears in use
Stationary cranes	64 stationary cranes, almost all electric
Hydraulic shovels	581 hydraulic shovels in use
Trucks	670 trucks, with a policy for renewal to meet the latest environmental standards

The table below breaks down the carrying amount of these assets:

<i>In millions of euros</i>	09-30-18	09-30-17
Gross values	1,466	1,471
Accumulated depreciation	(1,012)	(1,048)
Net value	453	424

NB: The above figures also include the value of assets belonging to Holding companies, who own the land used by Environmental Services.

Wherever possible, the Derichebourg Group prefers to purchase the land on which it operates its Environmental Services provision. The Group owns, via Derichebourg Immobilier and its subsidiaries, over 4,000,000 m² of land used by the Environmental Services business. In view of its long-standing ownership of certain land, there may be unrealized capital gains between their value and their historical cost. During the transition to IFRS standards, the market value of land at January 1, 2004 was considered to be the cost in certain cases. A variance (net of deferred taxes) of €41 million was recognized in shareholders' equity and in property, plant and equipment.

In the Recycling business, the value of the assets declared to insurance companies is approximately €1,000 million.

The Group responds to tenders that give significant weight to technical considerations, thus making it possible to highlight the quality of the service and the resources deployed by the tenderer, not only the lowest price, in order to obtain a solid return on capital employed.

Moreover, the Group exercises a drinking water distribution operation (in Réunion) and a wastewater treatment activity.

This business employs about 4,000 employees.

I.1.1.3 Property, plant, and equipment, significant non-current assets

The Group's Environmental Services is a heavy consumer of equipment: shredders, shears, inductors, collection and sorting machines, as well as their related infrastructures, namely land, concrete slabs, and electricity supplies.

I.1.1.4 Research and development business

Environmental Services is continuing its efforts to increase its returns on the processing of end-of-life consumer goods. One of its objectives is to use all or part of its shredding residues, either in the form of energy or as secondary raw material, by improving the separation and extraction of metal, plastic and glass parts, etc. The objective is to reduce the volumes sent to landfill by 20% over the next five years (for equal volume treated by shredders).

Durable businesses have been developed to deal with used tires, certain types of plastic and part of the shredding residues, which are turned into alternative fuels.

Derichebourg Environnement now produces 35,000 tonnes per year of alternative fuels for cement plants.

I.1.2 Multiservices business

I.1.2.1 Multiservices markets

Multiservices includes many businesses that have two points in common:

- ▣ the desire of customers to outsource certain functions in order to concentrate on their core business;
- ▣ the services provided are labor-intensive.

In this segment, the Group is present mainly in France (91% of revenue), Portugal, Spain, and Germany.

I.1.2.2 Business portfolio

Derichebourg Multiservices is a key player in outsourcing services for industrial and service sector companies, as well as for public services and local authorities.

A world leader in local services, Derichebourg Multiservices offers its customers **four** complementary **solutions**:

- ▣ services: flexible offers that guarantee the proper functioning of buildings and facilities and occupant well-being;
- ▣ industry: "tailor-made" expertise in global industrial subcontracting to benefit customer production;
- ▣ urban Area: a set of services dedicated to cities and urban infrastructure for a higher-quality living environment;
- ▣ HR & Temporary Sourcing: solutions to provide resources to customers and strengthen their skills while overcoming the inherent constraints.

These solutions are deployed by 19 subsidiaries in 9 countries.

Businesses and subsidiaries

Aeronautical industry support Aerial operations support	DERICHEBOURG ATIS AÉRONAUTIQUE
Industrial logistics and services Waste management and transportation	DERICHEBOURG SERVICES INGÉNIERIE NUCLÉAIRE
Cleaning and related services Industrial cleaning and maintenance Handling/logistics	DERICHEBOURG PROPRETÉ
Electrical engineering and air conditioning engineering Multi-technical maintenance	DERICHEBOURG ÉNERGIE
Remote surveillance	DERICHEBOURG TECHNOLOGIES
Reception desk and corporate event planning Retail & event reception Mail	ULTEAM
Handling/logistics	DERICHEBOURG LOGISTIQUE ET MANUTENTION
Public lighting Traffic lights	DERICHEBOURG ÉNERGIE E.P.
Urban billboards Installation and maintenance of urban furnishings	DERICHEBOURG SNG
Green spaces Roads & Utility Services	DERICHEBOURG ESPACES VERTS
General temporary staffing Specialized temporary staffing	DERICHEBOURG INTÉRIM
Temporary aeronautics staffing Temporary wind farm staffing	DERICHEBOURG SOURCING AERO & ENERGY
Recruitment Aeronautics recruitment	DERICHEBOURG INTÉRIM DERICHEBOURG SOURCING AERO & ENERGY
Training center	DERICHEBOURG ÉVOLUTION FORMATION

Contribution to revenue by solution

SOLUTIONS	Revenue (in millions of euros)
INDUSTRY	147
SERVICES	468
URBAN AREA	44
HR & TEMPORARY SOURCING	144

I.1.2.2.1 Solutions for the Services sector

These solutions include all services that guarantee the proper functioning of buildings and make them sustainable, such as electrical engineering and air conditioning engineering, multi-technical maintenance, cleaning, remote surveillance, handling and green spaces.

These services also target occupant well-being, with company reception services, mail services and factotums.

The two largest businesses by revenue in Services sector solutions are energy (air conditioning engineering, electrical engineering, and multitechnical maintenance) and cleaning.

I.1.2.2.1.1 Derichebourg Propreté

Cleaning evolves in a highly competitive market and is now a strategic business. It directly influences many key personal and organizational factors such as well-being, performance, comfort, health, and image. This market is also changing rapidly: along with the "principal" customer's needs, the expectations of the "end" client, the user, must be taken into account.

Derichebourg Propreté and Related Services is one of the leading French market players. Since the challenges and conditions of intervention differ from one business sector to another, the subsidiary offers sector-specific know-how for the private sector and public actors. Derichebourg Propreté accordingly offers a complete range of services for the simplest to the most demanding spaces.

Intervention sectors:

- ▣ industry: top-quality industrial cleaning and maintenance;
- ▣ agrifood;
- ▣ health;
- ▣ pharmacy/cleanroom conditions;
- ▣ service and administrative premises;
- ▣ retail spaces;
- ▣ residential, road, public transit services.

Derichebourg Propreté also has skills that enable it to provide handling and logistics services such as upstream and downstream logistics, inventory management, and production logistics.

Key figures 2018:

- ▣ 18,000 specialists;
- ▣ 100 facilities across France;
- ▣ 10,000 customers.

I.1.2.2.1.2 Derichebourg Énergie

To add value to their assets and maximize operating profit, property managers must constantly seek to improve energy performance while ensuring the reliability and sustainability of buildings and their facilities. The occupants of their buildings should also benefit from the highest standards of safety and comfort.

Derichebourg Énergie constructs, operates and maintains on a long-term basis air conditioning and electrical engineering facilities. The subsidiary offers a range of services ranging from mono-technical and multi-technical maintenance at fixed or temporary sites.

Its commitment to providing preventive maintenance ensures the longevity of facilities.

Air conditioning engineering	Electrical engineering	Maintenance
<ul style="list-style-type: none"> Heating, air conditioning, ventilation, refrigeration, climate control Aerualics, hydraulics Processing of fluids Plumbing 	<ul style="list-style-type: none"> High-voltage systems Low-voltage systems Climate control, programmable controllers Electricity back-up 	<ul style="list-style-type: none"> Air conditioning, ventilation, heating High-voltage, low-voltage systems Plumbing, fire protection Finishing works Delegated contract management

I.1.2.2.2 Solutions for Industry

These solutions include all services in which the businesses are involved at the center of customer production processes, mainly in the aeronautics and nuclear sectors.

In aeronautics, Derichebourg Atis Aéronautique is involved in the assembly of mechanical and electrical systems and in quality inspection.

In the nuclear sector, Derichebourg Milieux Sensibles offers industrial logistics services as well as radioactive waste management services.

In terms of revenue, Derichebourg Atis Aéronautique is the largest Industry Solutions subsidiary (~€117 million in revenue).

Derichebourg Atis Aéronautique is a major subcontractor in the aeronautics sector and offers a complete range of turnkey services ranging from manufacturing engineering to customer delivery.

Aeronautical industry support	Aerial operations support
<ul style="list-style-type: none"> Industrial processes Assembly/manufacturing Delivery assistance Ground support services 	<ul style="list-style-type: none"> Navigability management Customer representation & delivery support Aircraft transitions Training & knowledge transfer

Key figures 2018:

- presence in six countries: France, Spain, Germany, United Kingdom, United States, and China;
- 2,100 employees.

Key figures 2018:

- 5,000 customers in France;
- more than 250,000 temporary assignments;
- 27 facilities in France.

I.1.2.3 HR & Temporary Sourcing Solutions

Temporary staffing is an employment adjustment tool for companies and candidates. Companies are looking for increasing levels of responsiveness and flexibility in their work organization and payroll management. Temporary employment is also a springboard for candidates, who have easier access to positions and training that allow them to develop professionally.

This rapidly changing sector focuses on skills creation and is a lever for employability.

HR & Temporary sourcing solutions include general temporary staffing, temporary aeronautics staffing, recruitment and a training center for aeronautics professions.

The HR & Recruitment Sourcing Solutions businesses generated €144 million in revenue.

I.1.2.3.1 Derichebourg Intérim et Recrutement

Derichebourg Intérim et Recrutement provides a global response (temporary recruitment, fixed-term and permanent contracts) to the problems of companies that are currently experiencing significant recruitment needs, so that they can develop, meet growing market demands and absorb seasonal activity peaks.

Derichebourg Intérim et Recrutement provides employees to companies in multiple sectors: services, banking/finance/insurance, logistics/transport, sales/retail, construction and industry.

I.1.2.3.2 Derichebourg Sourcing Aero & Energy

Derichebourg Sourcing Aero & Energy recruits in the aeronautics, naval and rail sectors.

The network of Derichebourg Sourcing Aero & Energy agencies assigns temporary personnel for long- or short-duration projects, and also recruits staff on permanent or temporary contracts through its recruitment consulting firm, Derichebourg Aerosearch.

Key figures 2018:

- more than 20,000 temporary assignments;
- 15,000 temporary employees registered;
- 18 locations in Europe, 14 of which in France.

I.1.2.3.3 Derichebourg Évolution Formation

In 2008, the Group set up its own aeronautical services training school.

Derichebourg Évolution Formation, a training center in Toulouse, offers a wide range of training sessions:

- aeronautical certification: fitter assembler (CQPM), fitter cabler (CQPM), aircraft cabin integrator (CQPM), CAD CATIA, inspection/quality, human factors and CDCCL, etc.;

- safety and prevention: electric installations; first aid; gestures and postures, fire, ATEX, etc.;
- driver safety certificates: lifts, airplane nacelles, machinery, cranes, overhead cranes.

Key figures 2018:

- more than 9,000 people trained since the center was created;
- return to employment rate in excess of 91% for jobseekers who received training with qualification.

I.1.2.3.4 Urban Area Solutions

This solution includes all services for local authorities to improve the living environment and energy performance of towns and cities.

Today, towns and cities must respond to growing expectations for services, mobility, environmental preservation and social cohesion. Urban planning has to take into account the challenges facing towns and cities.

Public lighting, urban billboards, installation and maintenance of urban furnishings and green spaces, as well as highway construction and various networks, are all areas that can affect the attractiveness of a municipality.

The two largest subsidiaries by revenue for urban area solutions are those that handle public lighting and urban billboards.

I.1.2.3.4.1 Public lighting: Derichebourg Énergie E.P.

Public lighting helps to make towns and cities feel alive and ensure their navigability, strengthen the feeling of safety, and reduce light pollution. It is also an important source of reduction for energy bills.

Derichebourg Énergie E.P. offers a customized range of public lighting services to design, construct and maintain facilities through four major activities:

- urban and stadium lighting;
- traffic lights, high-level bus service;
- festive lighting and decoration;
- video projection.

Key figures 2018:

- 300 engineers and technicians;
- 1,000 customers.

I.1.2.3.4.2 Urban billboards: Derichebourg SNG

Urban furnishings are a strategic development tool today. They must be adapted to new forms of mobility, comply with accessibility standards, be sustainable and integrate smoothly with environmental concerns.

Urban billboards, for their part, must meet three requirements: respect the quality of life, prevent light pollution, and reduce energy consumption.

Derichebourg SNG has mastered these challenges, offering a comprehensive array of services that range from display to installation and maintenance of urban furnishings.

Urban furnishing

- Installation and works
- Corrective maintenance
- Preventative maintenance

Urban billboards

- Signage
- Maintenance
- Visibility management

Key figures 2018:

- 42 facilities across France;
- 55,000 mechanisms managed per year;
- 1,500 urban furnishing installations per year.

I.1.2.4 Business model
I.1.2.4.1 Multiservices markets

Through its 19 businesses and subsidiaries, which are positioned as challengers in large, buoyant, and growing markets, Derichebourg Multiservices makes the most of the synergies that exist between its four business divisions with regard to technical engineering, corporate management, business development, innovation, digital, and service excellence.

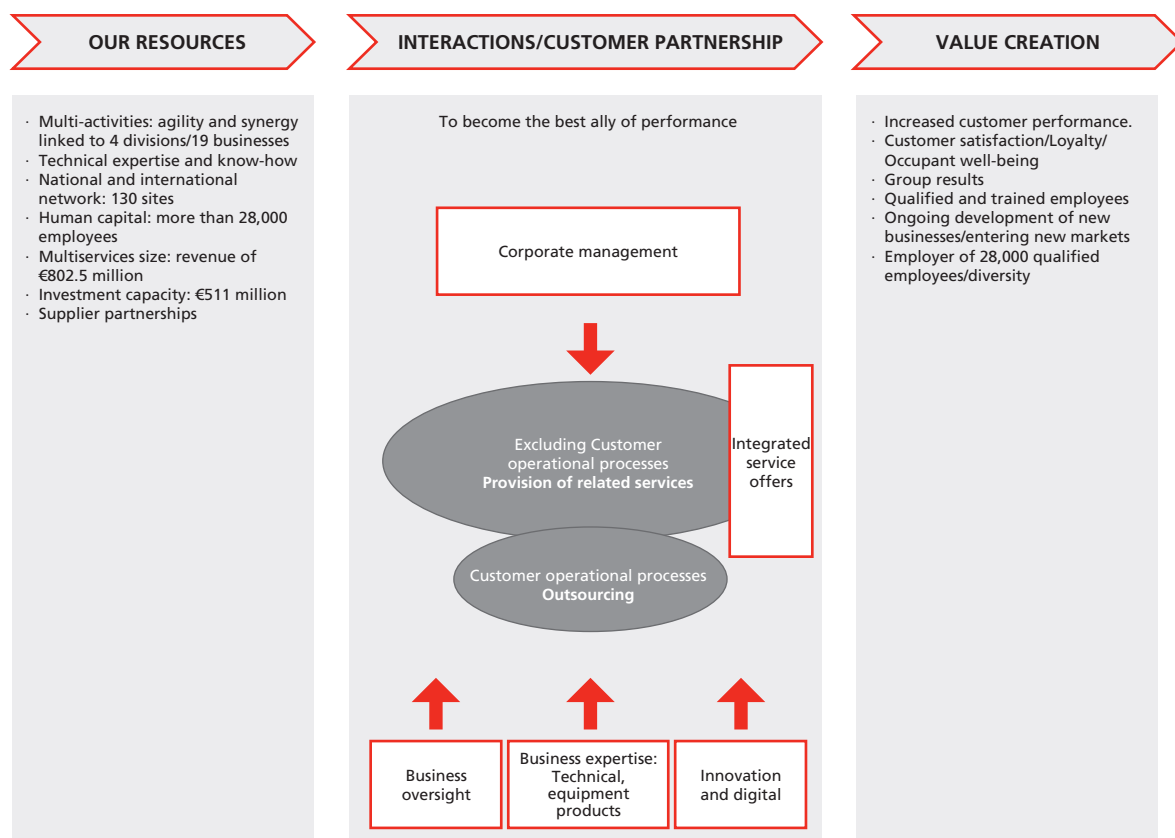
The subsidiaries of the Multiservices division have variable market positions:

- European leader with 30% of the subcontracting market for Airbus assembly lines;
- national leader in Portugal with the Safira subsidiary, which ranks third in the Portuguese market, in terms of turnover;
- national challenger: Propreté France and SNG;
- regional challenger (Île-de-France): Énergie;
- the other subsidiaries (Reception, Technology, Temporary Staffing, Public Lighting, Green Spaces, etc.) have a lower market penetration.

1.1.2.4.2 Business model for service businesses

Derichebourg Multiservices businesses are, by their nature, labor-intensive activities. Corporate management and the management and organization of the services provided are central to the process of

service delivery and value generation for everyone. The provision of technical skills is also a key factor in the creation of value for the Business Services division (especially for the Aeronautical, Nuclear, and Energy divisions).



1.1.2.5 The Group's strategy in Multiservices in light of new challenges

The markets in which Derichebourg Multiservices operates are growing rapidly and are starting to undergo profound changes.

- ▣ **The development of digital.** Technological progress will enable the development of new and better performing tools. This is also the case for building maintenance, whether preventive or repairs. Digital tools represent an opportunity to move upmarket by switching to increased building maintenance. At the same time, the production of occupancy data will continue to grow with regard to energy consumption as well as for occupant services.
- ▣ **More stringent environmental requirements** have impacted the energy efficiency market, which has been growing steadily for

several years, driven by renovations caused by the fight to limit global warming.

- ▣ **Growing demand for outsourcing.** In order to focus on their core business, companies find it increasingly necessary to outsource part of their operational activity to take advantage of the skills and management of others and have better flexibility and cost control for their economic structure. Renewed growth for Airbus delivery volumes is also expected next year.
- ▣ **Emerging emphasis on well-being at work.** This trend is changing the Multiservices market and requiring us to make new customized offers for our customers. It has become necessary to move from being a service provider to incorporating service excellence, for both end users and our customers.

To respond to these new challenges, we are focusing on the following:

Since Multiservices markets are opening up to new types of requests, customers now expect the Group to offer innovative, high value-added, end-user targeted service solutions built to meet and maintain customer satisfaction levels and desired profitability.

In response, Derichebourg Multiservices is deploying:

▣ **New service offerings**

Innovation is a differentiating factor that Derichebourg Multiservices integrates into the development of new service offerings for buildings and occupants. The IT systems organization, marketing and innovation, and CSR Departments support operational activities to identify and assist with the development and deployment of these new services, whose aim is to empower building occupants.

These offerings encourage greater energy efficiency and aim to contribute to the performance of our customers in these areas.

- ▣ **Facility Management** with the creation of a new subsidiary, Derichebourg FM. Faced with the growing demand for multiple services by companies and local authorities, Derichebourg FM responds by offering them a single integrated contract, in which it entrusts the management and performance of each of the expected services to its own teams.

In this way, it can guarantee the excellence of services and a level of quality that corresponds to the specific challenges of each of its customers.

- ▣ **Modernization of Human Resources strategy** to respond to technological and societal changes and support its employees and attract and retain talent.
- ▣ **Expansion of the national and international network.**
 - In Cleaning, the largest business by revenue, the Group has an established structure within France, giving it a coherent territorial network. The Group seeks to increase its market share both organically and through targeted acquisitions to better amortize its structural costs.
 - The rationale is similar in the temporary employment businesses, in which the Group is competing with very large competitors. Increasing the density of the domestic network and revenue growth are two areas of focus for these activities.
 - The aeronautics business is developing in growth markets in China and the United States and continuing to grow in Europe (Germany and the UK). Atis continues diversification into other markets: Boeing for civil aircraft and Defense markets.

I.2 Main CSR risks

2018 was a year marked by new impetus to the Group's CSR strategy, drawn up based on the identification of major issues.

I.2.1 Analysis of CSR risks

The analysis of CSR risks was carried out using a matrix that considered social/societal, environmental, human rights, and anti-corruption issues⁽¹⁾.

Two separate risk analysis matrices were prepared using a single methodology:

- ▣ specific mapping for the analysis of anticorruption risks (see 1.7.1 *Identifying, preventing and managing environmental, social and ethical risks*);
- ▣ mapping for the analysis of all other CSR risks.

These maps were developed using the following method:

- ▣ identification of potential (or inherent) risks;
- ▣ identification of internal control measures and means of controlling these risks;
- ▣ prioritization and scoring of risks arising from the impact and probability of occurrence of these risks. The scoring of those risks revealed four levels of potential risk:
 - priority,
 - high,
 - secondary,
 - low.

Potential priority risks:

- ▣ workplace health and safety;
- ▣ negative environmental impact of operating sites and activities;
- ▣ loss of customer assets.

⁽¹⁾ Tackling food waste and food scarcity and respect for animal welfare and food that is responsible, fair and sustainable were not identified as material issues for the Group.

Potential high risks:

- ▣ dependence on non-renewable energy related to energy consumption (electricity, fuel)/greenhouse gas emissions;
- ▣ insufficient shredder residue recovery rate;
- ▣ loss/lack of key skills/recruitment difficulties;
- ▣ ethics/corruption;
- ▣ non-compliance with labor conditions and law, insecurity.

These potential risks identified as priority or high are addressed by the actions, controls and control methods described in the Group's CSR roadmap.

Tax evasion has not been taken into consideration in the risk analysis, due to the late publication of the law no. 2018-898 amending Article L. 225-102-1 of the French Commercial Code. Tax evasion will be taken into account during the next CSR risk analysis.

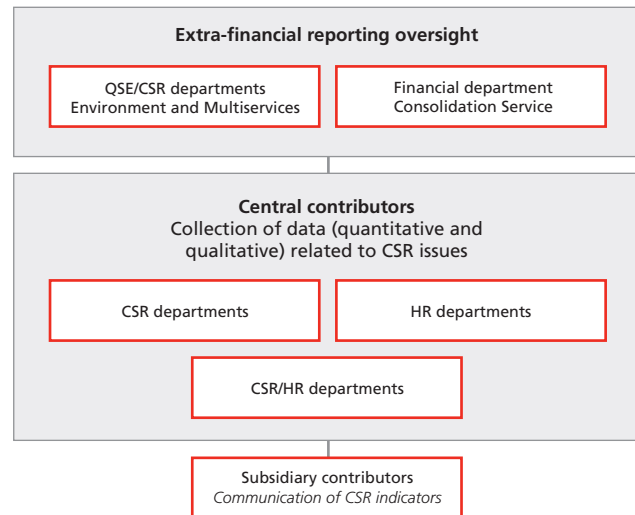
1.2.2 CSR strategy

The participation of HR, CSR, financial, and operational actors in the analysis of these risks has enabled the Group to identify the major CSR challenges and develop a strategy for the next four years. In addition to this risk analysis, major challenges were defined in the following stages:

- ▣ consultation of external stakeholders (customers, suppliers, trade federations, etc.);
- ▣ discussions in internal thematic workshops;
- ▣ creation of sector benchmarks.

These efforts led to the "Concretely Responsible" 2018-2022 program, a roadmap that defines priority actions as well as performance indicators and associated goals. The indicators in this year's report are monitored for France only, unless otherwise specified. As a

continuation of these efforts, the CSR reporting protocol has been completely overhauled to ensure consistency with the new CSR strategy, refocus on the most relevant indicators in light of the challenges identified, and have reliable monitoring indicators. In addition, the associated responsibilities have been defined according to the following structure:



Subsidiary contributors collect the indicators relevant to them and perform the corresponding controls and analyses. They then communicate them to the central contributors, who check the consistency of the data and pass it on to the Consolidation Service.

The indicators are then audited by the independent third party, EY (see the corresponding report at the end of the chapter, section 1.8).

The 2018-2022 program:

4 strategic axes → 9 main ambitions



I.3 Scorecard showing principal social, environmental and societal information

The purpose of this section is to highlight those indicators that best illustrate the impact of the Group's business and actions on the environmental, social and societal criteria. The figures presented in this section are covered in more detail in the rest of the report.

	2022 targets	2018	2017
Work accident frequency rate	25	31.0	34
Percentage of employees with disabilities	7%	7.1%	5.99%
Percentage of ISO 14001-certified sites ⁽¹⁾	100%	35.5%	Change in scope
Site energy consumption per tonne treated	To be defined in 2019	33.4 kWh LCV/t	Not measured
Fuel consumption per tonne transported	4 l/t	4.3 l/t	Not measured
Proportion of shredder residue sent for recycling	40%	25.9%	29.8%
Multiservices customer satisfaction rate	80%	61.3%	Non-consolidated

(1) Calculated with respect to industrial sites, sites for which a customer requirement was expressed or sites for which certification was decided as part of a Company policy.

I.4 Being a committed employer

I.4.1 Deploying a risk prevention policy to ensure the safety of employees and preserve their health

For the Group, safety is a priority. In order to deploy a common policy, the Group will lay down its commitments in a charter applicable to all its subsidiaries.

In France, Group subsidiaries are equipped with safety management systems, of which nearly 30% are OHSAS 18001 certified⁽¹⁾. Safety coordinators are responsible for implementing risk prevention programs. The principal objective of the risk prevention initiatives is to reduce the number of workplace accidents and prevent occupational illness. These initiatives are also supported by the Health, Safety and Working Conditions Committee (CHSCT) and the safety committees.

In the Multiservices business line, 2018 was dedicated to defining a health and safety improvement program (PASS) aimed at controlling major risks and stepping up prevention. This program rests on the use of prevention measures, as well as improved oversight in order to develop a safety culture within the teams:

1. development of a workplace accident management kit reflecting the company's procedures throughout the following stages:
 - immediate reaction,
 - reporting,
 - monitoring of formalities,
 - control of economic aspects,
 - challenge,
 - capitalizing on the experience gained;

2. tool digitization

- single document: A single digitized Derichebourg document to ensure close on-site control of professional risks, determine preventive actions, and involve an unlimited number of players,
- QSE integrated management: Integrated Management of Quality, Safety and the Environment to structure and oversee the QSE management system;

3. securing the involvement of players through:

- the structuring of the network of players – with a central safety organization, coordinators within each subsidiary, and INRS-qualified Risk Prevention coaches,
- training sessions at various levels:
 - for on-site employees: a specific safety induction and e-learning modules,
 - for managers: the Derichebourg Passport, which includes a safety module,
 - in-house training on the Single Document and the management of work accidents;

Employees trained
in safety

90,000



- on-site initiatives including talks, internal audits, safety checks and the introduction of a *Safety Box* (SBox).

	Environmental Services		Business Services			Total	
	2018	2017	2018	2017	2022 target	2018	2017
Lost-time accident frequency rate	28.3	39	32.4	32	25	31.0	34
Lost-time accident severity rate	1.8	~ 2	1.9	~ 2	N/A	1.9	~ 2
Number of safety training hours per employee	25,483	N/A	64,929	N/A	N/A	90,412	N/A

The business line frequency and severity rates (2016 statistics) for the main activities are presented in the table below:

APE (principal company activity) code	Frequency rate	Severity rate
8121Z Routine building cleaning	32.8	3.0
3832Z Recovery of sorted waste	50.0	3.0

(1) The ISO 45001 standard was published in April 2018. It will gradually replace OHSAS 18001.

In terms of frequency rate⁽¹⁾ and severity rate⁽²⁾, the results of the two main activities (recovery of sorted waste and cleaning) are better than those of their respective business lines.

With regard to the Multiservices business, Derichebourg Propreté's frequency rate (30) is better than that of the branch; however the frequency rate for the Safira subsidiary is high (52).

The work-related accidents accounted for in the frequency rate are those that were notified by the competent administration during the period.

In order to monitor accidents involving workers outside the Derichebourg Group, two additional indicators are due to be monitored for the 2018-2019 fiscal year:

- ▣ the frequency rate for temporary workers outside the Group;
- ▣ the training rate for persons in charge of signing Prevention Plans.

The number of occupational illnesses recognized by the French sickness insurance fund, CPAM, over the period from October 1, 2017 to September 30, 2018 across consolidated Derichebourg Group companies was 79.

11% of days' absenteeism was related to work accidents and occupational illnesses.

Despite all the precautions taken in order to ensure employee safety, there is no such thing as zero risk. This is evidenced by the death of two employees in the workplace, one in the Derichebourg Umwelt subsidiary in Germany, and the other in the Derichebourg Mazagan subsidiary in Morocco

1.4.2 Having key skills and developing them for our present and future needs

Career management

Within the scope of its strategic workforce planning policy, the Business Services division has set up a skills center composed of a Strategic Workforce Planning Manager and a Mobility and Skills Officer. The goal is to lay down an agile strategic workforce planning policy that takes account of occupational developments and the growth of organizations in order to:

- ▣ match employees' skills with the needs of the Company;
- ▣ enhance the efficiency of organizations;
- ▣ plan ahead to meet future needs;
- ▣ guide training policy;
- ▣ and identify potential employee development.

Personnel reviews

In this regard, the Company holds annual interviews and personnel reviews aimed at detecting talents, supporting them through individual training programs, and offering them the appropriate career development opportunities.

During the review of more than 700 employees by the Business Services division, over 200 key profiles were detected (leaders, highly promising profiles and remarkable professionals) and offered individual support.

Starting this year, annual interviews are monitored, as well as employees who meet job requirements. At present, these measures solely concern Business Services, however they are due to be monitored across the Group for the 2018-2019 fiscal year.

The goal is to maintain and develop the employability of employees. This involves:

- ▣ continuing to develop the skills of all employees on site by encouraging business-orientated skills;
- ▣ developing individual and collective performance, and professionalizing, accrediting and seeking to retain high potential employees;
- ▣ strengthening risk prevention resources in order to ensure the health and safety of employees;
- ▣ increasing access to training for priority audiences.

To promote internal mobility, an internal job board was created.

The Group, and in particular Derichebourg Propreté and Derichebourg Environnement, are committed to this approach of professionalizing and accrediting employees. Indeed, for several years Derichebourg Propreté has been offering its employees the opportunity to pursue Certificates of Professional Qualifications (CPQ) that are specific to the cleaning businesses and to management with a view to obtaining an accreditation. Since this initiative was launched, more than 300 employees have obtained their CPQs. During the fiscal year, more than 40 employees have studied for a CPQ.

A number of subsidiaries in the Environment business, along with the recycling business line and Federec, have introduced a team leadership CPQ (equivalent to a two-year higher education qualification) and another for industrial maintenance operators.

These subsidiaries wanted to train all of their managers with the objective of improving their vocational skills.

(1) The frequency rate is the number of accidents with lost-time in excess of one day, divided by the number of hours worked, multiplied by 1,000,000.

(2) The severity rate represents the number of days lost, divided by the number of hours worked, multiplied by 1,000.

Accordingly, the initiative is as follows:

- ▣ positioning: a consultant comes to assess employees in order to determine an appropriate training scheme (between 35 and 70 hours of training approximately);
- ▣ training: at the end of each module, an assessment is carried out in order to substantiate whether a skill has been acquired or not;
- ▣ evaluation: employees undergo a two-hour oral exam before a jury where they make a presentation about a predominantly managerial project;
- ▣ approval: the projects are presented to a Federec committee and, where appropriate, approved.

18 people obtained the CQP team leader qualification and three mechanics are working towards the industrial maintenance operator CPQ within the Environmental Services division during the fiscal year.

 Number of training hours
193,500

	2018	2017
Number of training hours ⁽¹⁾	193,555	N/A
Average number of training hours per person per year	4.9	N/A

(1) Training hours excluding safety training.

Derichebourg Evolution Formation

The professional training center created in 2008 specializes in service jobs for the aeronautical industry. Derichebourg Evolution Formation offers level-IV and level-V diploma courses open to everyone (job seekers, employees, people seeking vocational retraining, temporary employees, and workers with disabilities).

The training center is based in Toulouse and in the Île-de-France. However, most courses can be provided at customer premises in France or abroad.

The course offering is growing constantly, in keeping with market needs and Group requirements. New courses are offered in fields including electricity, forklift truck operation, prevention, hygiene, regulatory requirements, office automation tools, etc.

Recruitment provides the first contact between the Company and the future employee

Recruitment is also a strategic process that enables the Company to assert its ambition and grow through the quality of the men and women within it.

Recruitment difficulties that may be due to tight labor market conditions or specific to the highly technical nature of the positions related to the Group's activities have been identified.

The recruitment process has been adapted to be more efficient, traceable and objective. A common recruitment site has been created for all subsidiaries. The tool makes it possible to share profiles and manage a pool of internal and external job applicants in a more efficient way. Partnerships have been established with schools, in particular IGS (Institut de gestion sociale) to create a specific training course for payroll administrators in the Derichebourg Multiservices division.

The recruitment situation will be monitored via the following two indicators, which will be tracked throughout the 2018-2019 fiscal year:

- ▣ recruitment success rate (Managers and Employees/Technicians/Supervisors);
- ▣ average recruitment time (Managers and Employees/Technicians/Supervisors).

I.4.3 Promoting employment and developing human capital

I.4.3.1 Guaranteeing employee rights

The Company wants to ensure that its employees are fairly rewarded and that their rights are respected. The Group is engaged in a continuous improvement process in order to ensure good pay and provide guarantees in the drafting of employment contracts. The main focus of this process is the professionalization of the teams. A shared service center (SSC) allows optimum payroll processing by teams of experts. A Pay Committee and teleconferences have been set up to share best practices and discuss changes. HRIS projects are under way to facilitate and ensure the security of the administrative management process; these projects will strengthen the Pay teams' positioning as experts and advisers to operational staff.

Labor relations

The Derichebourg Group seeks to maintain a high quality of social dialogue between management and labor since this is an essential factor in the smooth operation of the business.

79 agreements were reached on the following issues, compared to 68 last year: remuneration, social dialog, work organization, health and safety, and diversity.

On October 11, 2017, 200 household waste collection operatives went on strike in Marseille (70 employees recommenced work on the second day of the action). They blocked the waste transfer centers which process more than 900 tonnes each day. The employees' claims concerned retaining the benefits they enjoyed with their former employers, even though the arrangements made for them by the Derichebourg Group were more favorable in terms of purchasing power. An agreement ending the dispute was signed on Monday October 23, 2017 by management representatives and the employees. This put an end to the longest labor relations dispute (13 days) that the Group has experienced. Through this agreement, the Company's management has reconfirmed its wish to make every effort in order to

guarantee the best terms for re-employing personnel from competitor companies.

Despite excellent labor relations, the Derichebourg Group was hit by a few days of strike in its Cleaning business line during the year. These events, which are non-significant at entity level, were due to specific issues concerning the particular sites.

Talks with the trade unions and employees led to the rapid solving of the problem and a return to work under better conditions and a settled climate.

The number of strike days has been monitored since the 2017-2018 fiscal year.

	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Number of strike days	46	N/A	34	N/A	0	N/A	80	N/A
Number of regulated agreements	6	N/A	12	N/A	0	N/A	18	N/A

Under the program dedicated to the quality of life at work and the prevention of psychosocial risks, management is introducing a conflict management procedure for all Company employees irrespective of role or level.

This procedure is applicable to any situation in which an employee feels "victimized" (through discrimination, mental harassment, sexual harassment, sexist behavior, incivilities, insults, intimidation or threats) by colleagues, superiors, or even employees from an external company with whom they are in permanent contact through their work.

1.4.3.2 Creating value with and for employees

Employability also means guaranteeing employee equity and their continued employment, irrespective of their life situation.

Organization of working hours

	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Employment rate for non-managerial staff	97.6%	N/A	60.0%	N/A	100.0%	N/A	70.2%	N/A

At September 30, 2018, the average working time in the Group was part-time at 70.2% of full time. This ratio reflects the specific nature of the Cleaning business, which has a high incidence of part-time work.

This is attributable to customer requirements in the cleaning business. The nature of the services provided sometimes requires staff to work for shorter periods than full-time employees (small surface areas, work performed outside the working hours of the customers' employees, etc.). For this reason, cleaning staff often work for several employers in order to have full-time employment.

Derichebourg Propreté aims to enable its employees to increase their working hours if they so wish, as opportunities arise in the market. Moreover, customers who are aware of this issue have been approached with a view to developing services on a daytime basis.

Equal opportunity

The Group is strongly committed to maintaining a close relationship with employees and specific measures are implemented in five areas of action: gender equality, the employment of older and younger workers, disability and multiculturalism.

Working towards gender equality between men and women

Employee breakdown



Gender equality measures are based on four priorities: career promotion, pay, vocational training and work-life balance.

Women represent close to 52.8% of Group employees in 2018. Derichebourg Propreté, which accounts for 43% of Group employees, employs 70.4% women. This thus increases in relative terms the proportion of women in the total workforce. On the other hand, we note that in the Environmental Services businesses, men represent 79.1% of employees.

Environmental Services

	France		Europe (excluding France)		Africa		Total	
In thousands of euros	2018	2017	2018	2017	2018	2017	2018	2017
Average annual earnings, female managers	60.3	N/A	N/A	N/A	19.1	N/A	55.6	N/A
Average annual earnings, male managers	79.2	N/A	82.6	N/A	21.9	N/A	67.1	N/A
Average annual earnings, non-managerial women	24.2	N/A	23.4	N/A	3.4	N/A	14.0	N/A
Average annual earnings, non-managerial men	28.3	N/A	31.0	N/A	4.0	N/A	18.3	N/A

Business Services

	France		Europe (excluding France)		Africa		Total	
In thousands of euros	2018	2017	2018	2017	2018	2017	2018	2017
Average annual earnings, female managers	44.7	N/A	32.4	N/A	N/A	N/A	43.7	N/A
Average annual earnings, male managers	50.5	N/A	34.2	N/A	N/A	N/A	49.0	N/A
Average annual earnings, non-managerial women	22.3	N/A	6.7	N/A	N/A	N/A	15.7	N/A
Average annual earnings, non-managerial men	27.0	N/A	16.6	N/A	N/A	N/A	25.8	N/A

The average wage is the ratio between the annual remuneration and the annual average headcount over the twelve calendar months.

The Group aims to reduce compensation differences by the introduction of a positive compensation analysis index.

Position weighting grids have been produced by an external firm based on market benchmarks in order to set compensation objectives by position.

	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Proportion of female managers	15.8%	17.8%	31.8%	32.9%	34.3%	22.9%	26.8%	29.8%
Proportion of male managers	84.2%	82.2%	68.2%	67.1%	65.7%	77.1%	73.2%	70.2%

Please note the characteristics specific to the Cleaning business in France. The significance of this business in terms of workforce is such that it tends to conceal the diversity of other Group business sectors.

Beyond the structural nature of the part-time organization of the Cleaning business, all French companies have taken the stance of promoting the reduction of inequality between men and women by

negotiating collective agreements or plans of action between Management and labor.

The main focus tends to be to promote changed attitudes and challenge stereotypes, a necessary precursor to the success of such an initiative.

The main focuses of the gender equality agreement for French subsidiaries are the following:

- ▣ remuneration, with a commitment to limit salary gaps and to remove them altogether when recruitment takes place;
- ▣ individual supervision to detect employees with potential so as to foster their promotion to full-time jobs;
- ▣ greater consideration of individual lifestyle constraints by scheduling work meetings at more suitable times, and consideration of the work/life balance during annual interviews.

Breakdown of workforce, employment of young and older people

As part of its older workers policy, the Group offers its workers the option of attending a retirement meeting with Humanis (Derichebourg Propreté) or AG2R (Derichebourg Environnement). The purpose of this meeting is to review the workers' careers, support them in their different initiatives or simply to provide them with information. These individual retirement information meetings are offered to all employees from the age of 45.

	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Proportion of employees over the age of 55	12.7%	13.3%	24.7%	24.3%	16.9%	15.7%	21.4%	22.2%

The proportion of employees over the age of 55 was stable year-on-year.

Within the Group, a knowledge transfer system has been introduced: every apprentice joining the Group has a mentor. The latter is their adviser within the Company and will guide them throughout their training. Several mentorship training sessions are held during the year in order to provide mentors with the range of tools they need to support the young workers.

Operation "Jeunes Pousses" for young graduates:

This year, to ensure the renewal of its operational managers, the Derichebourg Environnement division launched the recruitment of some ten young graduates from engineering and business schools. This operation will make it possible to highlight all jobs in the recycling chain, communicate about the Derichebourg Group, enter into partnerships with schools, bring future operations managers on board and train them.

	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Proportion of employees under work-study contracts	2.2%	4.9%	0.7%	0.6%	2.9%	1.6%	1.1%	1.5%

Disability

The Derichebourg Group has drawn up a practical and ambitious action plan aiming to commit the Company wholeheartedly to a contractual labor policy supporting the professional integration of disabled employees.

Measures focus on five priority areas – recruiting, retention in employment, collaboration with the sheltered employment sector, personalized support, and training/awareness – with the objective of:

- ▣ increasing the percentage of employment of disabled workers;
- ▣ developing an active and proactive policy of integrating disabled employees;
- ▣ introducing measures aimed at fostering the retention of disabled employees as well as supporting employees who become disabled during their working life so they can remain in their post;
- ▣ allowing disabled employees to enjoy the same career opportunities as other employees;
- ▣ strengthening links with, and outsourcing more services to, the sheltered employment sector – strengthening relations with disability-friendly companies;
- ▣ pursuing an active training policy.

Specially-trained local liaison workers are responsible for welcoming, integrating and helping to retain disabled workers in the Company.

Employees with disabilities

7.1%



At September 30, 2018, the percentage of disabled workers employed by the Group stood at 7.1%, i.e. well above the legal requirement of 6%. Furthermore, Derichebourg Propreté set itself a target of 7%, in excess of the statutory target, and achieved 8.8%.

In addition, more than 20 jobs were adapted. The employees in question fill both office positions and practical roles.

The Business Services division has set up a personalized support scheme to facilitate the return to work of employees undergoing a job change following a restructuring operation or a disability.

The scheme provides them with support for a period of three months, involving:

- three modulable interviews to establish a professional skills analysis, define the employee's project, and support its implementation;
- a user-friendly, interactive platform to search for a job, draft a resume and prepare for job interviews.

For this purpose, the Business Services division has entered into a partnership with a company specialized in professional reconversion – AKSIS.

The Group's commitment with regard to disability is also reflected in the election of the HR Manager of Derichebourg Multiservices, on September 11, 2018, to the position of Chairwoman of Agefiph (a French fund for the professional integration of disabled persons in private companies) for a term of three years.

Partnerships with organizations providing assistance through work (ESAT) and sheltered employment companies (EA)

- Procedures for the joint processing of certain activities are being finalized with sheltered employment companies in conjunction with Derichebourg FM. In addition to the direct employment of people with disabilities, the Company wants to establish sustainable partnerships with the sheltered employment sector.
- For part of its activities, Derichebourg Services Ingénierie Nucléaire has entered into subcontracting partnerships with non-profit organizations that promote the integration of disabled workers. On average, there are 20 full-time equivalents working in a customer facility.
- The Ulteam subsidiary has signed a co-contracting mail management agreement with a sheltered employment company.
- Since January 2016, Refinal Industries has been sub-contracting to an ESAT the manufacturing of suction cups for three robots that extract aluminum ingots. Almost 200 suction cups are manufactured every month.
- Derichebourg Environnement regularly makes use of the sheltered employment company Handiprint to print its publications.

Breakdown by country and by business

Breakdown by business and by country is as follows:

	Environmental Services		Business Services		Holding companies		Total	
Employees	2018	2017	2018	2017	2018	2017	2018	2017
France	3,407	3,218	22,402	23,119	136	127	25,945	26,464
Other European countries	1,447	1,504	6,183	6,209	0	0	7,630	7,713
Europe	4,854	4,772	28,585	29,328	136	127	33,575	34,177
Americas	347	298	0	0	0	0	347	298
Africa	5,486	1,974	0	0	0	0	5,486	1,974
Total	10,687	6,994	28,585	29,328	136	127	39,408	36,449

The workforce of the Multiservices (Business Services) division represents 73% of Group employees. These are service provision businesses with a strong requirement for labor while, although the

Sport as a motivation booster

Three sports ambassadors have joined the Business Services division to work with employees: Arsen Goulamirian (WBA world champion boxer), Thu Kamkasomphou (Paralympic table tennis medalist) and Louis Radius (Paralympic track & field medalist). These three high-level athletes hold workshops and share their experiences on topics such as pushing one's limits and coping with a disability in the workplace. They talk about their career paths and encourage employees to surpass themselves. In some cases, they are also called upon for coaching.

In addition, the Group has been supporting the sports clubs of Brive (rugby) and Poissy (triathlon) for several years.

I.4.3.3 Participating in local development

The nature of its businesses means that the Derichebourg Group is a significant provider of local and sustainable employment.

Derichebourg Environment's activities require that its recycling facilities are located as close as possible to the sources to be processed. As a result, these local activities generate employment that cannot be off-shored.

Derichebourg Multiservices' activities promote local employment in order to provide services as close as possible to its customers.



recycling business of Environmental Services represents 72% of revenue, it makes greater use of sorting and processing equipment than personnel.

The Multiservices headcount includes temporary employees placed with the customers of the temporary employment subsidiaries. As at September 30, 2018, temporary workers represent 8.6% of the employees of Business Services companies.

Recruitment and departures

It should be noted that Household Waste Collection/Cleaning (Environmental Services) and Cleaning (Business Services) are subject, both in France and abroad, to regulations which may require the transfer to successor companies of employees working on a given contract, in line with specific detailed procedures. These employees typically have permanent contracts. Changes in headcount are therefore directly related to business trends.

Recruitment

Employees	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
All contract types	3,507	2,801	64,201	61,086	35	37	67,743	63,924

For the 2017-2018 fiscal year, recruitments were up 6% compared to the previous fiscal year. This increase is due to several factors:

- ▣ contract gains after calls for tender throughout the Group;
- ▣ new companies entering into the reporting scope;
- ▣ an 8.5% increase in recruitment for the Group's temporary employment companies.

Departures

The table below details departures by business.

Employees	Environmental Services		Business Services		Holding companies		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
All contract types	2,292	1,853	65,389	60,422	35	31	67,716	62,306

There was also an 8.7% increase in departures compared to last year.

This increase is again due to the new companies entering into the reporting scope. Contractually agreed departures represented 3.7% of departures.

The Group supports economic development in the regions in which it operates and makes commitments to its customers both by implementing specific inclusion via economic activity (IAE) and return to work measures. Subsidiaries implement inclusion-related measures:

Derichebourg and inclusion

Under WEEE (Waste Electrical and Electronic Equipment) recycling contracts, several Recycling businesses entrust the dis-assembly and dismantling of large household appliances or small household appliances to ENVIE, the French federation of vocational integration companies. This partnership has been in existence for over 11 years. The Derichebourg Group has 11 WEEE recycling platforms in France. At 6 of them, the Group operates in partnership with ENVIE. Every day, 80 employees work with the Group under vocational integration programs.

This partnership was commended by the préfecture des Hauts-de-Seine, which awarded the Group a diploma on October 8, 2018 for "responsible purchasing and corporate social responsibility"

for the Gennevilliers site (30 employees and over 420,000 household appliances recycled per year).

Multiculturalism

The Derichebourg Group is a signatory to the European Union's Diversity Charter. In this way, the Group demonstrated its intention of continuing and boosting measures at all levels of the Company to promote diversity, from hiring through to career management.

The Group's managers lead teams composed of employees with over 110 nationalities. In this way, Derichebourg is a major player in the area of integration.

Certain subsidiaries offer their employees the opportunity to take training courses in core skills and in French. These courses have positive impacts both in professional and personal terms. In fact, it increases the staff's employability and facilitates their work because the training improves their subsequent understanding of instructions. Employees express themselves and communicate much more easily and can perform their jobs with greater independence.

In personal terms, the training makes our workers' everyday lives easier. Administrative tasks become easier and they can help their children do their homework.

Business and Neighborhoods Charter

Derichebourg Propreté is a signatory to the Business & Neighborhoods Charter. In so doing, the subsidiary demonstrated its commitment to be part of an economic and social partnership to benefit disadvantaged communities. Business and Neighborhoods allows young people with difficulties in finding work, some of whom dropped out of school very early, to take part in training, immersion periods in businesses and, consequently, gradually find a new life in society.

Salary rounding scheme, micro-donation

Derichebourg Multiservices' salary rounding scheme has been in place for over a year now.

Every month, employees have the option to support an organization through a micro-donation from their salary, ranging between €0.5 and €5. Derichebourg Multiservices doubles the amount of each donation. It is a joint employee-employer solidarity scheme.

This pro-active and innovative scheme proposes to support three organizations, selected on the grounds of their responsible approach and the quality of their projects in support of young people:

- ▣ Simplon, which offers free training in coding to young people with difficulties in finding work;
- ▣ Le Rire Médecin, which offers entertainment to children in hospital in France;
- ▣ Sport dans la Ville, which is the main organization for integration through sport in France; it supports young sportspeople to find work.

These organizations have been selected for their serious management and the quality of their project through the Epic foundation (for Sport dans la Ville and Simplon). The aim of this foundation is to include in its portfolio, through a stringent selection process, organizations having the most significant social and societal impact on young people.

In return, Derichebourg Multiservices helps the children of some of its employees through organizations:

- ▣ Simplon offers to include the children of employees, who want to follow the free training to become web developers, among the people that it selects;
- ▣ Sport dans la Ville opens its programs to the children of employees to facilitate their occupational integration.

1.5 Reduce the Group's environmental footprint

1.5.1 Optimize our most energy-intensive work tools to save natural resources

1.5.1.1 Improve the energy performance of operating sites

Derichebourg Environnement is committed to a pro-active approach to managing its energy consumption, notably through ISO 50001 certification in the Refinal Industries and Derichebourg Umwelt GmbH subsidiaries.

The Derichebourg Group has implemented various actions to reduce the energy consumption of its production units. The most significant are:

- ▣ the installation of frequency converters on shredding lines to adjust the energy supply to requirements in real time;
- ▣ the gradual replacement of shredding unit motors by more energy efficient motors;

- ▣ the acquisition of four new shear balers equipped with frequency converter technologies.

Furthermore, a second phase of regulatory energy audits will take place in 2019 based on the 2017-2018 fiscal year for all French subsidiaries concerned. For activities with the highest energy consumption (Derichebourg Environnement), these audits will be carried out by a specialist company with 35 years' experience in the energy efficiency sector. This company is committed to meeting the requirements of the European NF EN 16247 (1 to 4) standard and will enable the Group to prepare an action plan for 2019-2022 in terms of energy efficiency.

Consolidation of the areas for improvement at Group level will take place in September 2019 and the monitoring for the following fiscal year will serve as the basis for setting the 2022 reduction target.

The action plan will be monitored alongside the monitoring of the new indicator defined in the CSR roadmap, i.e. the energy consumption of the operating sites per tonne treated.


For information purposes, the first calculation of this indicator can be found below for the 2017-2018 fiscal year.


In kWh LCV per tonne treated	Environmental Services		
	2022 target	2018	2017
Site energy consumption per tonne treated	To be defined in 2019	33.4	N/A


This indicator takes into account consumption of electricity and off-road diesel on sites. As gas consumption is not significant, it has not been included for reasons of simplicity. Refinal Industries is not included in the scope of this indicator as, on the one hand, its activity is

very specific, and on the other, it is governed by ISO 50001 certification.

Furthermore, energy consumption in absolute values for the Group (worldwide scope) is as follows:

Fuel consumption  **32.8** million liters
+ 11.4% compared to 2017

Gas consumption  **12.9** million cubic meters
+ 10.0% compared to 2017

electric consumption  **130.7** GWh
+ 8.0% compared to 2017

The change in electricity consumption (+8.0%) and fuel consumption (+11.4%) is mainly due to the Environmental Services business. These increases are partly due to the increase in tonnes treated by the Group (shredding being the main source of electricity consumption) and partly to changes in the consolidation scope.

The Group's gas consumption amounted to 86% on account of Refinal (use of gas in refinery furnaces). The change in this consumption (+10.0%) is mainly due to the acquisition, within the Environmental Services division, of a second aluminum refinery in January 2018 in the municipality of Prémery, Nièvre (58) (France).

Greenhouse gas emissions (GHG) are calculated using the Izyeco software, based on the Group's energy consumption. This meets the requirement to report on greenhouse gas emissions for some of the Group's subsidiaries and to improve the monitoring of indicators relating to these emissions.

2017-2018 figure: 158,114 tonnes CO₂ equivalent

The Group's greenhouse gas emissions can be broken down into:

- ▣ electricity purchased: 22,793 tonnes CO₂ equivalent;
- ▣ consumption of fossil fuels related to the facilities: 85,118 tonnes CO₂ equivalent;
- ▣ fuel consumption related to travel: 50,202 tonnes CO₂ equivalent.

These emissions increased by 9% compared to the previous fiscal year in absolute terms.

The intensity of emissions calculated compared to revenue increased by 2%

Derichebourg Environnement principally uses electricity as an energy source for its recycling units (except for the two aluminum refineries,

which use gas). Thanks to the high share of electricity generated using nuclear power in the energy mix in France, the recycling activity has low greenhouse gas emissions.

1.5.1.2 Improve the energy performance of transportation

The Group takes care to limit its fuel consumption related to road transportation, which is the Group's main source of greenhouse gas emissions (31.8% of emissions).

Environmental Services

The Group's Environment division has begun the strategic transformation of its transportation activity.

The company aims to provide its truck fleet with tools and procedures to monitor and optimize its fuel consumption.

The **Transportation Transformation Plan** focuses on three main cumulative solutions:

- ▣ make eco-driving training for drivers systematic by 2022.

Eco-driving brings together the issues of sustainable development (efficient use of energy) and road safety by providing employees with every solution to be implemented on a daily basis for economic and ecological driving, whilst reducing road risks;

- ▣ deploy the AlertGasoil™ technology.

AlertGasoil™ is a comprehensive fuel consumption and greenhouse gas emission measurement and monitoring solution to facilitate management and reduce waste;

- ▣ renew the fleet over the 2018-2020 period with the replacement of 150 vehicles out of the 600 in the Environment division's fleet (excluding Poly Environnement). 75 vehicles were ordered during the 2017-2018 fiscal year. The vehicles all meet the Euro VI standard as a minimum and will be equipped with the AdBlue™ system and particulate filters.

Furthermore, the Environment division is currently being certified by the independent extra-financial rating agency, **TK'BLUE Agency**. This agency measures, rates and promotes the eco-responsible performance of the Transportation sector.

Similarly, Derichebourg Environnement signed a partnership in 2016 with the Michelin Group and Euromasterto manage its tire stock. 2017 was the first full year for this partnership and the results are significant. The Group has accordingly chosen to extend the life of its tires by retreading and regrooving them where possible, which contributes to reducing the amount of raw materials consumed compared to producing a new tire. The implementation of tire pressure monitoring also reduces fuel consumption.

The decrease in greenhouse gas emissions compared to the absence of these measures was 58.6 tonnes of CO₂ equivalent in 2017 (Michelin data).

Monitoring of the energy performance of transportation is carried out using the following indicator:

In liters per tonne transported	Environmental Services		
	2022 target	2018	2017
Fuel consumption per tonne transported	4	4.3	N/A

In order to obtain an exhaustive analysis of the Group's different fuel consumptions, the fuel consumption per tonne collected (collection activity) will be monitored from the 2018-2019 fiscal year.

For downstream transportation, the Group also prioritizes the use of maritime or river transportation, where possible, which is cheaper and contributes to protecting the environment. New site openings are historically, and whenever possible, next to waterways. This is the case for the Group's two most recent shredding lines: Gennevilliers (on the HAROPA – Paris Ports site) and since late September 2018, the new Bassens shredding line (located on the Bordeaux Port Authority site).

In 2017, the Group also began operating a dock in Marseille, opening up access to the Mediterranean. This new dock enabled the shipping of

almost 38,000 tonnes of ferrous scrap metals (secondary raw materials) by maritime routes over the 2017-2018 fiscal year.

In 2018, the Grand Quevilly site (Rouen Port Authority) chartered its first vessels destined for the South of France, Spain and Portugal: four vessels, each of around 3,000 tonnes (i.e. the equivalent of 480 semi-trailers).

The Group also continues the use of rail transport. This mode of transportation is an alternative to road transport (one wagon for every two trucks). It is less developed than water transport, due more to structural reasons than any real desire on the Group's part.

The share of tonnages transported worldwide by waterway and/or rail is as follows:



In thousands of tonnes transported	2018	2017
Secondary raw materials transported by waterway	1,126.4	1,109.8
Secondary raw materials transported by rail	335.5	339.3

For information, the modes of transportation by waterway or rail avoided the circulation of approximately 58,400 trucks over the 2017-2018 fiscal year (based on each truck transporting 25 tonnes).

The Poly-Environnement subsidiary (collection of household waste) invested over €1.5 million over the current fiscal year in NGVs (natural gas vehicles).

Derichebourg Environnement also put into service its first truck equipped with Active Stop-StartMC technology from the Quebec company Effenco, in Puteaux (Hauts-de-Seine). This system is designed to cut the truck's engine when it is immobile, whilst keeping its accessories and equipment operational, such as the container lifting and dumpster compaction systems. In general, these stops represent

40% to 50% of the vehicle's usage time and thus enable a 30% reduction in greenhouse gas emissions.

The town of Puteaux is the first in France to see a truck equipped with this innovative hybrid-electric technology in circulation.

A first partnership signed in 2016 in Quebec between Derichebourg Canada and Effenco enabled a significant reduction in fuel consumption for the fleet in the Canadian province. The Group's 100 trucks equipped with this technology saved 30% in fuel consumption, or an annual saving of 400,000 liters and a reduction in greenhouse gas emissions of 1,200 tonnes CO₂ equivalent (source: EFFENCO – onboard data acquisition system).

Derichebourg Environnement has chosen to offer this technology across its equipment fleet as part of its future contracts.

Business Services

The purchasing unit at Derichebourg Multiservices has listed three automotive suppliers who incorporate environmental factors. The vehicle fleet has 1,670 vehicles of which 96% are light commercial vehicles. Within Derichebourg Propreté, electric vehicles are used for some specific services such as transporting waste and short term operations, or are made available to employees for short journeys. 5% of Derichebourg Propreté's fleet is electric vehicles.

Employees themselves are trained in eco-driving techniques and to monitor their fuel consumption on a regular basis.

The introduction of teleconference systems within all Group businesses also enables the number of journeys to be reduced where possible.

A study of the Business Services division fleet is currently on-going with the aim of preparing a shared car policy. This will reconcile the reality of travel and the needs of each driver as well as enable the targets set to be met:

- ▣ ensure the continuation of the activity: guarantee the circulation of vehicles despite regulatory prohibitions;
- ▣ reduce the environmental impact of travel, which comprises over 80% of the energy consumption expenditure in the Multiservices division;
- ▣ manage the budget in an inflation context.

To improve monitoring of the energy consumption due to transportation, average fuel consumption (Business Services activity) will be monitored from the 2018-2019 fiscal year.

I.5.2 Improve the local impact of facilities

I.5.2.1 Manage environmental risks

Through the rigorous management of incoming waste and daily maintenance of its facilities, Derichebourg Environnement ensures the prevention of environmental risks and pollution across its 247 industrial sites.

Investments in environmental protection for the 2017-2018 fiscal year amounted to over €7 million, plus environment-related expenses of €2.4 million (analysis of waste, environmental discharges, maintenance, etc.), ensuring that the Group's industrial plants comply with their regulatory requirements.

Work on impermeable areas (concreted areas) and run-off water treatment are two important factors in limiting soil and waterway pollution. The Group pays particular attention to the proper maintenance of its infrastructures and undertakes repairs and restoration of concrete areas deteriorated by the passage of machinery every year.

To ensure comprehensive management of environmental risks, the Group's subsidiaries with industrial sites or specific customer requirements have committed to ISO 14001 certification of their environmental management systems, with the target of 100% of concerned sites certified by 2022.

In line with this target, ESKA launched a triple QSE certification approach and has already obtained the certification for 22 of its industrial sites in 2018.

	2022 target	2018	2017
Proportion of ISO 14001-certified sites	100%	35.5%	N/A

Limit pollution from the facilities – Comply with BREF⁽¹⁾ Shredder requirements

The Group's various subsidiaries concerned comply with their monitoring obligations regarding atmospheric and water discharges. Monitoring plans have been introduced in each subsidiary.

As part of Directive 2010/75/EU of the European Parliament and Council of November 24, 2010 on industrial emissions, the conclusions on the best available techniques (BAT) for waste treatment were published on August 10, 2018.

As set out in the regulations, the Group will file review documents "in respect of the best available techniques" for each of the sites in question within one year.

A Group action and investment plan will then be rolled out over the 2019-2022 period to bring the various facilities into compliance where necessary.

Site restorations – termination of ongoing activities

One of Derichebourg Group's strengths is its real estate management. Thus, subsidiaries are subject to an analysis that enables a list to be drawn up of the sites that are liable to cease activity over the more or less long term.

Terminations of activity are the subject of management plans, and if applicable, of provisions taking into account the overall financial cost of site restoration.

(1) Best Available Technology REFERENCE.

Provisions for environmental risks changed as follows:

In millions of euros	2018	2017
Environmental Services	6.0	7.4

Moreover, the Group provides financial guarantees (cross-border transportation of waste, safety compliance work on certain facilities classified for environmental protection (decree no. 2012-633 of May 3, 2012), etc.).

The amount of financial guarantees issued as at September 30, 2018 stood at €6.2 million (€5.6 million as at September 30, 2017).

1.5.2.2 Relations with neighbors

Derichebourg Environnement generates significant transport flows in connection with collection and reception of materials, as well as for bulk product sales.

Furthermore, the noise, visual and sound factors and safety of the operating sites are all issues which concern local communities.

Thus, any complaints on CSR aspects are managed by the QSE services in the subsidiaries.

To ensure irreproachable management by the Group of complaints, each complaint is answered by a written response. Thirty-nine complaints were received during the fiscal year.

This commitment is monitored via the following indicator:

Environmental Services		
	2022 target	2018
Percentage of complaints dealt with (written response provided)	100%	87.2%
		2017
		N/A

Various actions are carried out on a daily basis on the Group's operating sites to create ties with neighbors and improve site integration into the local landscape.

For example, the Noisy-le-Sec (Seine-Saint-Denis) site highlights the local environment through the use, in association with the local

authority, of wooden cladding and *ad hoc* lighting (cost of €150 thousand) to reduce visual pollution.

Several sites (Athis-Mons, Bruyères-sur-Oise, Gennevilliers, etc.) regularly organize school visits on the recycling theme.

1.6 Be a major player in the circular economy

A business serving the circular economy; recovery of metal waste

Due to the nature of its historic metal recycling business, Derichebourg Environnement is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.) while reducing the quantity of waste eliminated.

Ferrous metals are first sorted. Pieces not requiring any processing are grouped directly by quality then resold. Ferrous metals that need to undergo an industrial preparation process before being processed in steel mills are either sheared or cut (thick ferrous metals), or shredded (light ferrous metals or those mixed with other materials).

During this fiscal year, Derichebourg Environnement processed 3.75 million tonnes of ferrous scrap metal and around 540,700 tonnes

of non-ferrous metals, which are resold once they have been sorted by quality.

As part of this scrap metal processing activity, Derichebourg also has two aluminum refineries. The historical refinery in Lomme produced 66,000 tonnes of aluminum ingots. The Prémery refinery, acquired by the Group during the fiscal year, will eventually produce 15,000 tonnes of ingots, using other varieties of aluminum to those used in Lomme.

Thus, by returning quality secondary raw materials to the marketplace, Derichebourg Group reduces overall energy consumption. The recycling of metals enables considerable energy savings compared to their primary production: up to 94% for aluminum and 40% for steel (source ADEME/Federec, Environmental assessment of recycling in France according to the LCA method⁽¹⁾ – May 2017).

(1) Life Cycle Analysis.

Furthermore, the use of secondary raw materials to produce new steel or non-ferrous metals enables a significant reduction in greenhouse gas emissions compared to producing them using raw materials. Effectively, the production of one tonne of steel from recycled materials enables a reduction of 58% of CO₂ emissions and as much as 93% for the production of a tonne of secondary aluminum ingots (source

ADEME/Federec, Environmental assessment of recycling in France according to the life cycle assessment method – May 2017).

The Group estimates the volume of emissions avoided thanks to its activity to be 6.2 million tonnes CO₂ equivalent, which is the average annual consumption of more than 826,000 inhabitants of France⁽¹⁾.



Volume of emissions avoided

6.2 million tonnes of CO₂eq

Annual emissions of

= 826,000 French people

1.6.1 Improve the recovery of treated waste on our facilities

1.6.1.1 Limit the quantity of shredder residue produced

The Group operates 29 shredding lines worldwide, of which 21 in France. Their advantage is that they allow ferrous metal parts to be separated from non-ferrous metal parts, a mixture containing some metals, plastics and shredding residues.

The “surface mines” which Derichebourg Environnement exploits are becoming more complex with technological advances in retail products. In parallel, legislative changes in Europe, and particularly in France, are imposing increasingly strict recycling and recovery rates (Waste Electrical and Electronic Equipment, end of life vehicles etc.) which

require constant Group investment in R&D. Its R&D efforts enable it to optimize sorting and separation technologies which are benchmarks in the recycling industry.

For a long time, shredding residues, plastic and even some undetected metallic residues were sent to landfill facilities. Historically, up to 25% of the volumes sent to shredder thus ended up in landfill. For many years, and particularly since the improvement in detection equipment (driven induction, infrared detection, x rays, optical sorting, etc.), the Group has been endeavoring to reduce the proportion of residues consigned to landfill facilities. During the fiscal year, the Group's shredding lines produced 367,108 tonnes of residual parts.

Decontamination and pre-shredding dismantling operations (bumpers, tanks, windscreens in end-of-life vehicles, concrete counterweights on Other Large Household Appliances, etc.), also reduce the amount of shredder residue produced.

ELV segment

The table below presents average reuse and recycling rates, and reuse and recovery rates achieved by the Group's French shredding sites overall:

Average reuse and recycling rate for ELVs **87%***
* data 2016



Average reuse and recovery rate for ELVs **96%***
* data 2016

	Legislative target	2018	2017
Average reuse and recycling rate for ELVs	85%	87.2% ⁽¹⁾	Between 87% and 95%
Average reuse and recovery rate for ELVs	95%	96.5% ⁽¹⁾	Between 94% and 100%

(1) Calculated on the basis of ADEME data for 2016.

(1) www.planetoscope.com.

The Group has undertaken, for all of the approved ELV shredders in France, an assessment of the performance of the industrial processes for separating processed ferrous metals and other materials, together with the processing of shredding wastes arising from ELV, in accordance with the requirements published by ADEME (French Environment and Energy Management Agency). These campaigns will be completed by the end of December 2018. The results will be used to update the Syderep software (system used for declarations in the EPR sector) managed by ADEME, and thus improve the calculation of recycling rates.

Via its ECO-VHU subsidiary, the Group has introduced and coordinates a network of partner approved professionals (over 300 ELV centers in France) enabling it to respond to requests for the management of

end-of-life vehicles, by carrying out the collection, traceability and monitoring of the recovery, across the whole of France.

Since 2010, ECO-VHU is a partner of PSA Group (the leading automotive manufacturer in terms of CSR performance) and manages the manufacturer's network for the south of France. In 2017-2018, over 40,000 ELVs from the PSA network were treated by the Group.

The reuse and recycling rates (TRR) and reuse and recovery rates (TRV) achieved by the ECO-VHU network are respectively 89.2% and 97.7% (2016 data).

ECO-VHU is also a preferred partner for the Direction nationale d'interventions domaniales (DNID).

	2018	2017
Number of approved ELV centers	102	96
Number of approved ELV shredders	19	19

French legislation transfers responsibility for achieving recycling and recovery rates onto the combination of ELV center + ELV shredder. Each shredder deals with several ELV centers, which are responsible for vehicle decontamination before shredding. The recycling rates presented below were calculated for each shredder, then a weighted average (according to the number of ELVs processed) was calculated for the Group.

It should be noted that the 2018 figures published are for vehicles declared as destroyed in 2016, taking into account the time period for certifying declarations. The Group once again met the legislative rates for reuse and recycling (85%) and reuse and recovery (95%).

In France, during the 2018 fiscal year, the Group processed almost 455,000 tonnes of ELVs in its shredders.

The WEEE segment

Recycling and recovery rates, large household appliances - cold

97% 

Recycling and recovery rates, large household appliances - excluding cold

90% 

Recycling and recovery rates, small mixed household appliances

78% 

	Rates achieved by the Group		Legislative target
	2018 ⁽¹⁾	2017 ⁽²⁾	2017-2018
WEEE segment			
Recycling and recovery rates, large household appliances – cold	97%	93%	85%
Recycling and recovery rates, large household appliances – excluding cold	90%	89%	85%
Recycling and recovery rates, small mixed household appliances	78%	82%	78%

(1) Results from 2018 designation campaigns.

(2) Results from 2017 designation campaigns.

In France, WEEE are processed separately. For this waste stream, the recycling rates for flows received comply as a minimum with the specifications of the eco-organizations.

The improvement in the recycling and recovery rates of Large Cooling Household Appliances is notably due to better recovery of polyurethane foam. The reduction in the recovery of Small Household Appliances is

due to the reduction in ferrous metals and the destruction of plastics containing bromide-based flame retardants.

The Group was also one of the pioneers for the reintegration of WEEE into the official collection circuit.

Thus, in partnership with the ESR (Écosystèmes et Recylum) eco-organization, the Group has implemented WEEE recovery

operations from batches of ferrous metals intended for shredding on most of its different operating sites (124 recovery sites and 17 shredding sites).

These so-called “missing” WEEE (as they are outside of the eco-organization process) are reintegrated into the official stream to be processed correctly in compliance with current regulations.

For the 2017-2018 fiscal year, the Group contributed to reintegrating over 31,500 tonnes of WEEE into the official processing stream, up 15% compared to the previous fiscal year.

1.6.1.2 Increase research efforts into the processing of shredder residue

Measures implemented to address this include:

<i>In thousands of tonnes</i>	2022 target	2018	2017
Shredder residue generated	-	241.6	N/A
Shredder residue sent for recovery	-	62.5	N/A
Proportion of shredder residue sent for recovery	40%	25.9%	29.8%

The amounts sent into the recovery stream include both the tonnages sent for energy recovery and the tonnages sent for material recovery, according to their gross tonnage. Every effort is made to find new ways to improve their recovery.

The decrease observed in respect of the previous fiscal year is due to the simultaneous decrease in the processing capacity of the different energy recovery units (ERU). For example, the Group was faced with the closure of the Strasbourg incinerator for a technical stop, and to different administrative hold-ups, notably in the center of France.

The Group is already working on an internal solution for recovering shredder residues

1.6.2 Improve energy performance for customers

1.6.2.1 Offer services with low environmental impacts to customers

The nature of its business means that Derichebourg Multiservices consumes few raw materials. Nevertheless, the services that it offers incorporate the implementation of solutions that enable their environmental impacts to be reduced.

Derichebourg Propreté incorporates into its business processes equipment featuring water and energy saving technologies. The use of hyper concentrated products and correct dosing systems enables waste to be reduced at source. Finally, Derichebourg Propreté ensures that it encourages the use of chemical products with eco-labelling: enzyme products, with eco-labelling or the result of hydrolysis and ionized water solutions. 19.3% of products and equipment used over the period are part of the eco-responsible range. Since this fiscal year, in addition to the products, the Group also accounts for the equipment (cleaning machinery) used.

In their green space maintenance activities, Derichebourg Propreté and Derichebourg Espaces Verts aim to offer alternative solutions to reduce the amount of phytopharmaceutical products used.

- ▣ extracting plastic parts that can be recycled;
- ▣ recovering the last metallic parts;
- ▣ separating the fine particles that can be used as a sub-base in road construction;
- ▣ preparing waste mixtures that are sufficiently standardized and compliant with specifications, allowing them to be accepted as a fuel source for cement works or incinerators.

The table below sets out the distribution of shredding residues according to their destination.

1.6.2.2 Offer services to customers that enable them to improve their environmental performance

Derichebourg Énergie is acting as a partner for its customers in the area of energy performance. This subsidiary supports its customers in implementing their high environmental quality (HEQ) program, offering them energy performance contracts. The multi-technical maintenance reports include the monitoring of “energy savings”.

Derichebourg Énergie develops incentive-based all-inclusive services with an energy commitment to be achieved thanks to the installation of thermal collectors. This subsidiary also helps its customers to reduce greenhouse gas emissions by advising them on eliminating gases with high global warming potential and replacing refrigeration units that use this type of gas.

Derichebourg Énergie E.P. (Public Lighting) is one of the first companies in the renovation of public lighting market in the Île-de-France region to use LED technology. This solution allows rapid reductions in energy bills and in the cost of contracts with energy suppliers and also a substantial reduction in maintenance cost.

The service offered by Derichebourg Énergie E.P. addresses the need for local authorities to reduce their operating budget and environmental impact.

The activities of Derichebourg Énergie and Derichebourg Énergie E.P. enable improvements in overall energy consumption of 60% for their customers. These activities generate 11.4% of their revenue on offerings integrating improvements to environmental performance.

The company LSL has developed innovative LEDs that are designed specifically for the use of final customers thanks to the upstream assessment of their environment and their economic and CSR objectives. LSL selects components to attain the levels of standard LM90-B10, which proposes standards in terms of lighting duration and performance.

An innovative fleet management technology was developed with the aim of adjusting the light to real user needs and thus reduce energy consumption, whilst providing more services to users.

LSL is a member of the Cluster Lumière, the lighting sector skills network, in order to benefit from its rich eco-system.

Derichebourg Propreté has increased its services by supporting its customers in implementing sorting solutions for different waste types.

I.7 Consolidate relationships of trust with our partners

I.7.1 Identify, prevent and manage environmental, social and ethical risks

Two subsidiaries in the Business Services division (Cleaning and General temporary staffing) were assessed by ECOVADIS. The average score weighted by revenue was 64%, which corresponds to advanced "Gold" level. Ecovadis is the first collaborative platform allowing companies to monitor the sustainable development performance of their suppliers in 150 industries and in 110 countries.

Duty of vigilance

An analysis of CSR risks was conducted, as presented in the *Main CSR risks* chapter. Purchase risks are not significant. However, at Derichebourg Multiservices, the purchasing unit of the Derichebourg Propreté subsidiary drafted a CSR questionnaire to be completed by companies applying to be listed as suppliers and subcontractors. CSR criteria represent 20% of the overall mark attributed to tender bid documentation. The questionnaire covers a range of CSR issues: certification, use of CSR indicators, publication of a CSR report, measures to reduce environmental impacts, use of green or eco-friendly products, waste recycling procedures, innovation, etc. Suppliers and subcontractors are asked to update their questionnaire responses every year. This approach allows us to offer environmentally responsible services incorporating the most innovative solutions.

An analysis of corruption risks was carried out for ferrous scrap metal purchases. The volume of purchases excluding ferrous scrap metal is not significant for Derichebourg Environnement.

Fair trading practices

Under risk factors and uncertainties, the Group provides details of the risks associated with the purchase of metals and the register of goods purchased (retail purchases): in particular, the risk of receiving stolen property.

The Group took action, via its professional federation, to lobby government authorities to ban cash payments for such purchases in France. Since August 1, 2011, retail metal purchases must be paid for by crossed check, bank or post office transfer. This has enabled the risk of cash float theft to be reduced and made money flows from retail metal purchases traceable.

With the help of a service provider, the Group launched an audit to prepare a corruption risk mapping under law no. 2016-1691 of December 9, 2016 on transparency, fighting corruption and economic modernization (known as Sapin 2).

19 interviews with the different key activity managers took place.

24 theoretical corruption risks were identified and were subject to a scoring carried out in two stages:

- ▣ a scoring on impact and frequency in order to obtain a mapping of inherent risks. The types of impacts selected are reputation, marketing, legal and financial and the seriousness is assessed from low to critical. Frequency is defined by time intervals from the possible (every 3 to 10 years) to the almost certain (several times per quarter);
- ▣ a scoring of the level of inherent risk management in order to prepare a mapping of residual risks. The level of risk management represents the level of internal control maturity in respect to a risk. It has been assessed as being exemplary when the risk is covered by a control mechanism that is appropriate, formalized and supervised.

An anti-corruption code of conduct was prepared based on this operational foundation. It begins with an introduction by the Chairman and Chief Executive Officer that confirms the Group's commitments in the fight against corruption and defines the code as a guideline for all employees in the daily exercise of their activities. It restates its binding legal status for all stakeholders: employees, corporate officers, shareholders, commercial partners.

The anti-corruption code presents the different types of active and passive corruption. It states the definitions of active and passive influence peddling and illustrates the prohibited behaviors with tangible examples.

It sets out the Group's policy in terms of gifts received or offered, hospitality, contracts signed with intermediaries, facilitation payments, patronage and sponsoring.

It alerts readers to the responsibility of all employees and hierarchical managers by recalling the disciplinary, civil and criminal sanctions resulting from non-compliance with the policy.

It concludes with the alert procedure made available to employees and third parties that witness acts of corruption or attempted corruption. Alerts are collected confidentially under the whistle blower protection status with the assurance that the alert will be processed. The Secretary General is appointed as the Group's Compliance Officer, approved to receive these alerts via an email address "ethique@derichebourg.com" specifically created for this purpose, or by letter.

A clear, adapted training program is currently being rolled out for the employees in question, in particular members of the Executive Committee, business directors, and sales, development and purchasing managers. This training program will be regularly renewed over the coming years.

In order to be accessible to all, the anti-corruption code will be published on the Group's intranet and Internet sites. A paper version will also be displayed within the entities. It is included in the company internal regulations that apply to employees.

In order to communicate on its values, the Group has also drafted an ethics charter for its employees and stakeholders (customers, suppliers, intermediaries, etc.). It describes the Group's principles, notably in

terms of compliance with legislation and fair competition, it prohibits conflicts of interest and insider trading and reaffirms environmental protection, health and safety at work, the true and fair view of accounting and financial information and the fight against all types of discrimination and harassment.

Like the anti-corruption code, this document is mandatory and any violation may be notified to the Compliance Officer. Disciplinary, civil or criminal sanctions may be applied to any offenders. Furthermore, commercial relations that do not comply with these values may be terminated. For this, contractual clauses have been included in the Group's contracts, purchase orders and general terms and conditions.

1.7.2 Ensure service excellence

1.7.2.1 Structure the operational excellence initiative

The customer service organization has been structured, through the implementation of ISO 9001 certified quality management systems, that guarantee compliance with guideline requirements.

Group	Percentage of sites/branches	
	2018	2017
ISO 9001	69.7%	N/A

Derichebourg Multiservices has introduced a corporate program on "Service Excellence". This program aims to envisage the customer relationship not only in terms of service provisions but to define the contours and content of a new approach based on service delivery. This approach includes services attitudes, and "soft skills" that comply with the relational interaction requirements with prospects and customers.

This corporate program provides for training for all employees. The final aim of the program is that each employee appropriates the codes of personalized service and thus develops the key skills to exercise his/her service and reception task.

1.7.2.2 Build innovative value propositions together

To better meet market transformations that lead all eco-systems towards an era of ultra-personalized multiservices, Derichebourg Multiservices has reinvented its innovation approach, and renamed it "Innova[c]tion".

At the heart of our concerns: the satisfaction of the final users' needs.

Derichebourg Multiservices' open innovation cell reinvents new concepts that aim to develop advances in Multiservices occupations.

In the services sector, Derichebourg Expérience has co-designed a range of on-demand services, from multiservices to multi-technical services via DOD (Derichebourg On Demand).

DOD is a range of services that provides control for users over workspaces and allows them to control them using the Internet of Things.

1.7.2.3 Set up information systems and customer service organization

Derichebourg Multiservices builds on the Derichebourg Group's IT Department skills to implement information systems that meet the needs and specific features of Derichebourg Multiservices' customers, whilst ensuring compliance with best practices in the fields of safety (physical, logical, organizational, etc.), integrity, availability, reversibility, control and monitoring.

Several information systems for customers have been developed. Notably for Urban Area Solutions and FM (Facility Management) activities.

For example, as part of Facility Management services, a new customer request monitoring portal has been implemented: MyDBox. Through the services catalog portal, this tool enables monitoring of request fulfilment. It is possible to view whether the request is on-going, fulfilled or closed in real time in its environment and to view, via indicators, compliance with "Service Level Agreements" (SLA).

The request declaration can be made through the portal, a mobile application, via QR codes or sensors (DOD Program) according to the customer file organization and the proposed modules.

The data collected can also be made available in the customer's tools, on BIM (Building Information Modeling) platforms or CAMM (Computer Assisted Maintenance Management) software for multi-technical maintenance.

The information system developed for the Urban Area Solutions activity, Dclic enables real-time monitoring of service completion.

I.7.2.4 Rethink indicators and measurement resources for the perception of services delivered to customers

A service commitment benchmark, "*L'Empreinte*" (footprint) has been implemented within Derichebourg Propreté. It defines the tangible commitments that Derichebourg Propreté has taken for the seven stages of the customer path.

The service commitment levels implemented enable the level of service provided to be measured. An annual survey carried out by the QSE service allows the customer satisfaction rate to be calculated. Satisfied or very satisfied customers are those whose level of satisfaction is greater than or equal to 7 out of 10 (who have a "neutral" or "promoter" positioning under the NPS (Net Promoter Score) method). Out of over 3,000 customers surveyed for the Derichebourg Atis Aéronautique, Derichebourg Propreté, Derichebourg Énergie and Derichebourg Intérim activities with a 20.6% response rate, more than 6 out of 10 customers declared that they were satisfied or very satisfied.

As part of the service excellence initiative, the measurement of customer perception is changing. From the new fiscal year, a half-yearly assessment system is being deployed with the aim of assessing overall customer satisfaction and collect their expectations according to a single method rolled out across all subsidiaries.

I.8 Report by the independent third party organization on the consolidated statement of extra-financial performance set out in the management report

To the Shareholders' Meeting,

As an independent third party organization accredited by COFRAC under number 3-1050 (accreditation scope available on the site www.cofrac.fr) and member of the network of one of the Statutory Auditors of Derichebourg, we hereby report to you on the consolidated statement of extra-financial performance for the fiscal year ended September 30, 2018 (hereinafter the "Statement"), as presented in the management report under the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company Responsibility

The Board of Directors is responsible for preparing a Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied in respect of these risks and the results of these policies, including key performance indicators.

The Statement was prepared in application of Company procedures (hereafter the "Standards"), of which the significant items are presented in the Statement and on request from the Company's registered office.

Independence and Quality Control

Our independence is defined by provisions defined in Article L. 822-11-3 of the French Commercial Code and the profession's code of ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures that aim to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Responsibility of the third party independent organization

Based on our work, our role is to provide a reasoned opinion expressing a conclusion with moderate assurance on:

- ▣ the Statement's compliance with the provisions stipulated in Article R. 225-105 of the French Commercial Code;
- ▣ the fair presentation of the information provided in application of 3° of I and II of Article R. 225-105 of the French Commercial Code, i.e. the results of the policies, including the key performance indicators, and the actions, with respect to the main risks, hereafter the "Information".

However, it is not our responsibility to comment on:

- ▣ compliance by the Company with any other applicable legal and regulatory provisions, in particular in terms of any vigilance plan and the fight against corruption;
- ▣ the compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code setting the modalities under which the independent third party organization carries out its mission and according to the professional standards as well as international standard ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We have carried out work enabling us to assess the Statement's compliance with the regulatory provisions and the fair presentation of the Information:

- ▣ we have taken note of the activity for all companies included in the consolidation scope, the presentation of the main social and environmental risks associated with this business, and where applicable, its effects on respect for human rights and the fight against corruption and tax evasion, as well as the resulting policies and their results;
- ▣ we have assessed the appropriate nature of the Standards in terms of their relevance, completeness, reliability, neutrality and comprehensibility, taking into account sector best practice, where applicable;
- ▣ we have verified that the Statement covers each category of disclosures stipulated in III of Article L. 225-102-1 in social and environmental terms as well as respect for human rights and the fight against corruption and tax evasion;
- ▣ we have verified that the Statement includes an explanation of the reasons justifying the absence of disclosures required by paragraph 2 of III of Article 225-102-1;

- ▣ we have verified that the Statement presents the business model and the main risks associated with the business of all entities included in the consolidation scope, including, where relevant and proportionate, the risks created by its business relations, products or services as well as the policies and results including key performance indicators;
- ▣ we have verified, where relevant in view of the main risks or policies presented, that the Statement presents the information stipulated in II of Article R. 225-105;
- ▣ we have assessed the selection and validation process for the main risks;
- ▣ we have inquired into the existence of internal control and risk management procedures implemented by the entity;
- ▣ we have assessed the consistency of results and key performance indicators selected in view of the main risks and policies presented;
- ▣ we have verified that the Statement includes a clear, reasoned explanation of the reasons justifying the absence of policy with regard to one or several of these risks;
- ▣ we have verified that the Statement covers the consolidated scope, i.e. all companies included in the consolidation scope in accordance with Article L. 233-16 with the limits specified in the Statement;
- ▣ we have assessed the collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- ▣ we have implemented for the key performance indicators and the other quantitative results that we considered the most significant presented in Appendix 1:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their changes,
 - detailed tests based on surveys, to verify the correct application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out for a selection of contributing entities listed below: ESKA (Environment activity) and Derichebourg Propreté (Multiservices activity), which cover between 12% and 45% of the data selected for these tests (45% of workforce, 12% of electricity and fuel consumption, 15% of shredder residues);
- ▣ we have consulted the documentary sources and carried out interviews to corroborate the qualitative information (actions and results) that we considered to be the most significant presented in Appendix 1;
- ▣ we have assessed the consistency of the whole Statement compared to our knowledge of the Company.

We consider that the work that we carried out in exercising our professional judgment allows us to provide a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work was conducted by a skilled team of four people between July and December 2018, and lasted for approximately ten weeks.

We conducted around ten interviews with the people responsible for preparing the Statement representing notably the QSE – CSR, Human Resources and Finance Departments and the Secretariat General.

Conclusion

Based on this work, we have not detected any material misstatements that could call into question the fact that the Extra-Financial Performance Statement complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Standards.

Comments

Without calling into question the conclusion above, and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- ▣ given the definition of the new CSR roadmap in 2018, a significant proportion of the actions and key performance indicators (in particular in terms of health and safety, recruitment and fuel consumption) have not yet been defined and implemented for the 2018-2019 fiscal year;
- ▣ the reporting process for environmental and social information for international subsidiaries, representing 21% of the activity, remains to be strengthened.

Paris-La Défense, December 4, 2018

Independent third party organization
ERNST & YOUNG et Associés

Philippe Aubain
Managing Partner Sustainable Development

Jean-François Belorgey
Partner

Appendix 1: information considered to be the most significant

Employee information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Employee work accident frequency rate (no. / million hours worked)	Health and safety (prevention actions)
Average employment rate (%)	The initiatives implemented to add value for employees (in addition to salaries)
Environmental information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Fuel consumption per tonne transported (l/t)	Energy performance improvement measures (transport, sites) Measures to manage neighbors' complaints Measures to limit the quantity of shredder residue Offers proposed to improve customers' environmental performance
Site energy consumption per tonne produced (Kwh/t)	
Percentage of ISO 14001-certified industrial sites (%)	
Percentage of complaints from neighbors dealt with (%)	
Percentage of shredder residue sent to sectors other than landfill (%)	
Rate of use of materials, vehicles and products with low environmental impacts (%)	
Societal information	
Quantitative information (including key performance indicators)	Qualitative information (actions or results)
Customer satisfaction rate (%)	Actions to improve customer satisfaction Actions to prevent corruption

1

CSR report (serving as statement of extra-financial performance)

Board of Directors' report on corporate governance

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This report was prepared in accordance with the provisions of the final paragraph of Article L. 225-37 of the French Commercial Code and was approved by the Board of Directors on December 4, 2018.

2.1 The Board of Directors

2.1.1 Governance structure

When renewing the CEO's term of office, at its meeting on February 10, 2016, the Board of Directors unanimously decided to combine the roles of Chairman of the Board of Directors and CEO. As a result, the General Management of the Company is performed by Mr. Daniel Derichebourg.

General Management duties are shared with Mr. Abderrahmane El Aoufir, whose term of office as Deputy CEO was also renewed by decision of the Board on February 10, 2016. The Deputy CEO has the same powers as the CEO, including that of representing the Company vis-à-vis third parties. The Board considered that he held operational duties that promote decision-making.

No formal restriction has been placed on the Chairman and CEO's powers, other than that provided for by law concerning the Company's granting of endorsements, guarantees and security interests.

However, the Chairman and CEO normally requires the prior consent of the Board of Directors for any decision whose implementation or consequences could have a material impact on the Group's business activities, assets or liabilities. This is the case for operations such as those listed below, without this list being exhaustive or imperative:

- ▣ significant planned acquisitions;
- ▣ the granting of specific guarantees that do not legally require the Board's prior approval;
- ▣ acquisition or disposal of significant assets.

2.1.2 Duties of the Board of Directors

The Board of Directors determines the Company's business strategy and sees to its implementation. Subject to the powers expressly vested in shareholders' meetings, and in accordance with the corporate purpose, the Board handles any matter that may affect the Company's operations and meets to decide all matters within its remit. The Board of Directors shall perform any audits and verifications that it deems necessary.

The Board is tasked in particular with the following:

- ▣ protecting the Company's interests;
- ▣ conducting any checks it deems appropriate within the scope of the Company's business operations;
- ▣ choosing the management method;
- ▣ appointing and dismissing executive officers;
- ▣ determining the compensation of executive officers;

- ▣ ensuring the quality of the information provided to shareholders and to the financial markets;
- ▣ approving the Company's separate and consolidated annual and half-year financial statements;
- ▣ preparing the Company's business reports and those of its subsidiaries;
- ▣ preparing this report;
- ▣ determining the amount of the endorsements, guarantees and security interests that can be granted by the Chairman and Chief Executive Officer;
- ▣ approving related-party agreements and commitments before submitting them to shareholder vote, and examining, on an annual basis, the agreements still in force during the fiscal year.

The Board of Directors gives its opinion on all decisions relating to the Company's major strategic, economic and financial policies, and sees to their implementation by executive management.

The Board of Directors approves the strategy proposed by executive management.

The Chairman informs the Board of any matter, and in a more general way, of any fact that calls into question the implementation of any part of the strategic plan.

2.1.3 Rules applicable to the appointment and replacement of Board members

Composition of the Board of Directors (Article 14)

"The Company shall be managed by a Board of Directors made up of at least three and no more than 18 members. However, in the event of a merger, this threshold of 18 persons may be exceeded in accordance with the requirements and limits established by the French Commercial Code.

Directors are appointed by a shareholders' ordinary general meeting, which may dismiss them at any time. In the event of a merger or demerger, they may be appointed by a shareholders' extraordinary general meeting. Legal entities that are appointed directors shall designate a permanent representative, who shall be subject to the same requirements and obligations as if he/she were a director in his/her own name.

An employee of the Company may be appointed as a director only if his/her employment contract is for an actual position.

The number of directors bound to the Company by an employment contract shall not exceed one third of the directors in office."

Term of office – age limit (Article 15)

"The term of office of directors shall be six (6) years, which shall expire at the conclusion of the shareholders' ordinary general meeting that votes on the financial statements for the previous fiscal year and that is held during the year in which the term of office expires. All directors whose term of office expires shall be eligible for reappointment. The number of directors having reached the age of seventy-five (75) years shall not exceed one third of the number of members of the Board of Directors. If this limit is reached, the oldest director shall be deemed to have resigned automatically."

A resolution shall be submitted to the next shareholders' meeting to set the term of office to four years for any directors appointed as from that meeting.

Chairmanship of the Board (Article 16)

"From among its members, the Board shall elect a Chairman, who shall be required to be an individual. The Chairman's term of office shall not exceed his/her term of office as director. The Board shall establish the Chairman's compensation. The Board of Directors may dismiss the Chairman at any time. The Chairman of the Board must be less than seventy-five (75) years of age.

When the Chairman reaches this age, he/she shall be deemed to have resigned automatically.

The Chairman of the Board of Directors shall organize and manage the work of the Board of Directors, and report thereon to the shareholders' meetings. The Chairman shall ensure the proper operation of the Company's governing bodies and, in particular, shall ensure that the directors are capable of performing their duties. If it deems necessary, the Board may appoint one or more Vice-Chairmen, whose duties shall consist exclusively of chairing Board meetings and shareholders' meetings in the absence of the Chairman.

In the absence of the Chairman and of the Vice-Chairmen, the Board shall designate a director present to chair its meeting. At each meeting, the Board may appoint a secretary, who shall not be required to be a shareholder."

2.1.4 Composition of the Board of Directors

The Board of Directors is composed of the Chairman and Chief Executive Officer, a Deputy CEO (non-director) and seven directors, including four independent directors.

List of members of the Board of Directors and managing directors at the date of filing this registration document

Name and address for professional purposes	Family tie	Age	Position	Date of first appointment	Date of last reappointment	Date appointment expires
Daniel Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held directly: 117	✓	66	Director Chairman of the Board of Directors and CEO	Board meeting of June 29, 2006 Board meeting of June 29, 2006	Shareholders' meeting of February 10, 2016 Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Abderrahmane El Aoufir at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 10,000		57	Deputy CEO (non-director)	Board meeting of January 8, 2014	Board meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Bernard Val at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1		76	Independent director	Shareholders' meeting of June 24, 2004	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Matthieu Pigasse at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1		50	Independent director	Board meeting of October 25, 2005	Shareholders' meeting of February 10, 2016	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Boris Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 56	✓	40	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ended September 30, 2018
Thomas Derichebourg at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 56	✓	42	Director	Shareholders' meeting of July 18, 2007	Shareholders' meeting of February 18, 2013	At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ended September 30, 2018

Name and address for professional purposes	Family tie	Age	Position	Date of first appointment	Date of last reappointment	Date appointment expires
CFER Represented by Mrs. Ida Derichebourg 15 rue Messidor, 75012 Paris Paris Trade and Companies Registry under number 339 638 306 Shares held by CFER: 65,745,648 Shares held by Mrs. Ida Derichebourg: 112	✓	87	Director	Shareholders' meeting of February 18, 2013		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ended September 30, 2018
Françoise Mahiou at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 662		55	Independent director	Shareholders' meeting of February 10, 2016		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2021
Catherine Claverie at the Company's registered office: 119, avenue du Général-Michel-Bizot 75012 Paris Shares held: 1,000		49	Independent director	Shareholders' meeting of January 30, 2017		At the end of the shareholders' meeting held to vote on the financial statements for the fiscal year ending September 30, 2022

The Board ensures that it includes in its midst directors with a wide range of skills and expertise in different areas.

Absence of conviction

To the best of the Company's knowledge, none of the members of the Board of Directors has been convicted of fraud during the last five years. No member has been involved as a director in bankruptcy, administration or liquidation during the last five years and no member has been subject to any criminal penalty or official public reprimand issued by a statutory or regulatory authority. To the Issuer's knowledge, none of the members of its Board of Directors has been forbidden by a court from holding a position as a member of an administrative, management or supervisory body of a publicly held company or from participating in the management or operation of a publicly held company during the last five years.

Terms of office expiring at the end of the shareholders' combined general meeting of February 5, 2019

The tenures of Messrs. Thomas Derichebourg, Boris Derichebourg, and Compagnie Financière pour l'Environnement et le Recyclage (CFER) shall expire at the next shareholders' meeting. They wish to be considered for reappointment. These directors are members of the shareholder family that holds a majority of the votes. It is proposed that their directorships be renewed for a period of four years that will expire

at the end of the shareholders' ordinary general meeting convened to approve the financial statements for the fiscal year ending September 30, 2022, subject to adoption of the resolution modifying the duration of a director's term of office, (and otherwise, for a term of six years).

2.1.4.1 Chairman of the Board of Directors and CEO

Mr. Daniel Derichebourg, aged 66, of French nationality, has been Chairman of the Board of Directors and CEO since June 29, 2006.

A self-taught man, he started his career by cleaning cellars to help out his father with the family business, a small waste recovery company. He took control of the company CFER in October 1996. He led the restructuring and development of Compagnie Française des Ferrailles, subsequently CFF Recycling. Between 2004 and 2006, he oversaw the acquisition and restructuring of the Penauille Polyservices Group, prior to its merger with CFF Recycling in July 2007. He is responsible for the Group's major strategic decisions.

He was co-opted as director on June 29, 2006. His directorship was renewed by the shareholders' meetings of February 3, 2010 and February 10, 2016.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman and Chief Executive Officer	CFER	DERICHEBOURG
Chairman	DERICHEBOURG ENVIRONNEMENT	FINANCIÈRE DBG
Director	CFER DERICHEBOURG	PARIS SUD HYDRAULIQUE SEM RÉSIDENCE VILLENEUVE
Manager	DBG SCEA DU CHÂTEAU GUITERONDE SCEA DOMAINE DES DEMUEYES SCEA DOMAINE DU CHÂTEAU DE CREMAT SCEV CHÂTEAU LA ROSE OURRET SCEV LA TOUR GUITERONDE SCI BERNES & BRUYÈRES SCI DE FONDEYRE SCI DERO IMMO SCI DU PARC DES CHANTERAINES SCI FINANCIÈRE DES SOURCES	SCI FINANCIÈRE DES EAUX SCI HEBSON SCI LE POIRIER DE PISCOP SCI LES CHÊNES SCI LES MYRTES DU DETROIT SOCIÉTÉ DES DEMUEYES SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA I SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA II SOCIÉTÉ IMMOBILIÈRE DIVERSIFICATION ET AVENIR – IDA III
Legal representative	LES ARRAYANES (SCI HEBSON) LES BUIS DE CHÂTEAUVIEUX (SCI HEBSON) SCI DE L'ORME ARGENT (SCI HEBSON) SCI DU MERISIER ROUGE (SCI HEBSON) SCI EUCALYPTUS (SCI HEBSON) SCI L'ÉCUREUIL (SCI HEBSON) SCI Les ARBOUSIERS (SCI HEBSON)	SCI LES COQUETIERS (STÉ DES DEMUEYES) SCI LES LAURIERS (SCI HEBSON) SCI LES MAGNOLIAS (SCI HEBSON) SCI LES MÛRIERS (SCI HEBSON) SCI LES NOISETIERS (SCI HEBSON)
Chairman abroad	DERICHEBOURG RECYCLING USA, Inc.	
Managing director in Belgium	TBD FINANCES	
Director abroad	CFF RECYCLING UK Ltd DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAZAGAN DERICHEBOURG RABAT DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA, Inc.
General partner in Belgium	DBG FINANCES	

Other offices held during the last five years

Permanent representative	SERAM SA (DERICHEBOURG)
Managing director in Belgium	DBG FINANCES

2.1.5 Members of the Board of Directors

Mr. Bernard Val, independent director

Mr. Bernard Val, aged 76, of French nationality, is a former student of École des Ingénieurs de la Préfecture de la Seine, and was a general engineer for the city of Paris. He was seconded to several regional authorities including the Direction Générale des Services du Département de la Corrèze (1985-1996), before being appointed Chairman & CEO of Société des Autoroutes Rhône-Alpes, and subsequently Autoroutes du Sud de la France. In 2006, following the sale of ASF to Vinci, he became Chairman of Vinci Concessions and

Vice-Chairman of Vinci. Moreover, he was Chairman of ASFA (the association of French highway companies), and director of the public institution Autoroutes de France, as well as Scetoroute Développement, Transroute International and Ginger.

Mr. Bernard Val holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2018

Director	SOCIÉTÉ DES AUTOROUTES ESTÉREL, CÔTE D'AZUR, PROVENCE, AUTOROUTES DU SUD DE LA FRANCE (ASF) ALPES (ESCOTA)
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Other offices held during the last five years

None

Mr. Matthieu Pigasse, independent director

Mr. Matthieu Pigasse, aged 50, of French nationality, is a former student of the École nationale d'administration (ENA) and a graduate of Institut d'études politiques de Paris.

Mr. Matthieu Pigasse is Deputy Chairman of the Lazard Group, in charge of Lazard's global sovereign advisory activities, Chairman of Lazard Afrique and CEO of Lazard in France.

Mr. Matthieu Pigasse is co-shareholder of the Le Monde Group of newspapers, the Nouvel Observateur and Huffington Post France. He is the owner and Chairman of Éditions Indépendantes, a firm that publishes the magazine Les Inrockuptibles. He is a director of BSKYB, the Lucien Barrière Group and Derichebourg Group. He is Vice-Chairman of Théâtre du Châtelet.

He has published three books: Le Monde d'après, une crise sans précédent (2010, Plon), Révolutions (Plon, 2012), and Éloge de l'anormalité (Plon, 2014).

He joined Lazard in Paris in 2002. Prior to that, from 2000 to 2002, he was Deputy Chief of Staff for the French Minister of the Economy, Finance and Industry, Laurent Fabius, in charge of industrial and financial affairs. From 1997 to 2000, he was Technical Adviser to the Minister of the Economy, Finance and Industry, Dominique Strauss-Kahn, in charge of the financial sector.

From 1994 to 1997, Mr. Matthieu Pigasse worked in the Treasury Department of the Ministry of the Economy, Finance and Industry, where he was in charge of sovereign debt and liquidity management.

Mr. Matthieu Pigasse holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman and Chief Executive Officer, Deputy Chairman	LAZARD FRANCE LAZARD GROUP	
Chairman and Chief Executive Officer Vice-Chairman	LAZARD AFRIQUE	
Chairman of the Board of Directors	LES ÉDITIONS INDÉPENDANTES	
Chairman	LES NOUVELLES ÉDITIONS NUMÉRIQUES LES NOUVELLES ÉDITIONS INDÉPENDANTES	YSATIS
Director	GROUPE LUCIEN BARRIÈRE	THÉÂTRE DU CHÂTELET BSKYB GROUP
Member of the Supervisory Board	SOCIÉTÉ ÉDITRICE DU MONDE	LE NOUVEL OBSERVATEUR

Other offices held during the last five years

Director	RELAXNEWS
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Mr. Boris Derichebourg, director

Mr. Boris Derichebourg, aged 40, of French nationality, dreamed of becoming a race car driver when he was young. In 1994, he embarked on a racing career, chalking up numerous podium finishes (Formula 3, Formula 3000, GT, and Le Mans 24 Hours). In 2004, after 10 years of racing, Mr. Boris Derichebourg decided to end his sporting career and join the family Group.

For two years, he held various positions within the CFF Group. In 2006, the Group acquired Penauille Polyservices, which subsequently became Derichebourg. Mr. Boris Derichebourg then became General Manager of the Multiservices division, and subsequently its Chairman in 2008.

On the strength of his experience in top-level sport, Mr. Boris Derichebourg capitalized on his competitor skills to develop a different type of entrepreneurial approach. He restructured the company and gave it a second lease of life by developing successful new business lines. He traveled the world in search of new models and services to expand operations in France and internationally. Within a decade, Derichebourg Multiservices became the benchmark player in outsourced services by offering solutions to industry (aeronautics, nuclear, automotive, etc.), the service sector (Facility Management), and to urban developers (public lighting, urban billboards, etc.). Derichebourg Multiservices also earned a reputation as a sourcing expert through its Interim activities.

Aware of the need to review the codes governing the outsourced services markets, it promotes innovation with the backing of an

ecosystem of innovative partners in IoT (Internet of Things) and robotics, in order to co-build tomorrow's services. Moreover, in 2016, Derichebourg Multiservices signed a partnership with La Poste for its French IoT program.

Mr. Boris Derichebourg is also concerned with maintaining great diversity within his teams, and sees difference as a major strength in today's society. Derichebourg Multiservices thus has employees from 111 nationalities and a percentage of employees with disabilities above the required regulatory level. With his deep commitment to human values, he also supports the non-profit sector as ambassador of the *EPIC Foundation*. Furthermore, he introduced a salary rounding scheme for the Company's 29,500 employees in support of three non-profit organizations that promote social integration and health.

As a member of the Young Leaders France China Foundation, Mr. Boris Derichebourg wants to develop his Group's activities on the Asian market. The recent signing of a partnership between the Aeronautics division and a Chinese aircraft manufacturer has given this development a promising start.

In September 2017, the Chairman of MEDEF entrusted Mr. Boris Derichebourg with the chairmanship of *Proscenium* – a network bringing together the leaders of 250 mid-caps with revenues of more than €300 million.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman and Chief Executive Officer	DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Chairman	DERICHEBOURG ESPACES VERTS DERICHEBOURG INTÉRIM DERICHEBOURG FM DERICHEBOURG MULTISERVICES HOLDING DERICHEBOURG PROPRETÉ DERICHEBOURG RETAIL DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	DERICHEBOURG SHC DERICHEBOURG SNG DERICHEBOURG SPECTACLE DERICHEBOURG TECHNOLOGIES DERICHEBOURG TRAVAUX & MAINTENANCE NUCLÉAIRE GROUPE ALTER SERVICES ULTEAM
Director	CFER DERICHEBOURG ÉNERGIE	DERICHEBOURG ÉNERGIE E.P.
Managing partner	BORIS COURSE ORGANISATION	
Manager	PSIMMO SCI CFF BETA SCI LES CYPRES DE MONTMORENCY	SCI HAUTE-GARONNE SCI LES CHÂTAIGNIERS SCI LES PEUPLIERS SCI LES SOPHORAS
Chairman abroad	DERICHEBOURG MC DERICHEBOURG TESIS YONETIMI	SAFIRA FACILITY SERVICES SELMAR SA
Director abroad	DERICHEBOURG MARRAKECH DERICHEBOURG TESIS YONETIMI	SAFIRA FACILITY SERVICES SELMAR SA

Other offices held during the last five years

Chairman	DERICHEBOURG AUTOMOBILES SERVICES DERICHEBOURG LOGISTIQUE ET MANUTENTION DERICHEBOURG SOURCING AERO & ENERGY ASSOCIATION DERICHEBOURG MISSION HANDICAP	DERICHEBOURG ENTREPRISE ADAPTÉE
Director	ASSOCIATION DERICHEBOURG MISSION HANDICAP DBG MULTI RESTO SERVICES	
Manager	CIVITAS	MIROIR 2000
Liquidator	DERICHEBOURG ENTREPRISE ADAPTÉE	DBG MULTI RESTO SERVICES
Chairman abroad	AEP MULTISERVIZI SPA	
Director abroad	AEP MULTISERVIZI SPA	
Permanent representative	DERICHEBOURG ÉNERGIE E.P. (DERICHEBOURG MULTISERVICES HOLDING)	

Mr. Thomas Derichebourg, director

Mr. Thomas Derichebourg, aged 42, of French nationality, was selected for the prestigious Classe Libre at the Cours Florent school of acting after completing high school. In 2009, after an acting career of several years, he decided to join the family group. He became head of the Group's airport services in France. With the experience he gained in services, he chose to dedicate his expertise to the public sector, taking over the management of the Company's public sector activities in 2010. He is responsible for the international development of this

activity – in Italy, Morocco and Canada. He is also in charge of wastewater treatment and drinking water distribution operations.

Moreover, he is Chairman of the Revival subsidiary, the leading player in metal waste recycling in the Île-de-France, Normandy and Nord regions of France.

He is also a member of the Executive Committee of the France-Canada Chamber of Commerce.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman	DERICHEBOURG AQUA DERICHEBOURG AQUA OCÉAN INDIEN DERICHEBOURG INTÉRIM OCÉAN INDIEN DERICHEBOURG MAYOTTE DERICHEBOURG PROPRIÉTÉ OCÉAN INDIEN LIEN ENVIRONNEMENT POLY-ENVIRONNEMENT POLYAMON POLYANCE POLYBUI POLYCEJA POLYCEO	POLYCOROT POLY-MASSI POLYREVA POLYSEANE POLY-SELIA POLY-SENTI POLYSOTIS POLYTIANE POLYURBAINE NORMANDIE POLY-VAL POLY-VALYS REVIVAL
Director	DERICHEBOURG ÉNERGIE E.P. POLYURBAINE	
Manager	LE BISON GOURMAND POLYURBAINE 13 POLY-MILIA	POLY-NEA SCI LES CYPRES DE MONTMORENCY SCI LES CHARMES
Permanent representative	AFM RECYCLAGE (REVIVAL) ALLO CASSE AUTO (REVIVAL) DERICHEBOURG OCÉAN INDIEN (DERICHEBOURG)	HYDROVIDE (WESTEVER) PARIS SUD HYDRAULIQUE (TBD FINANCES)
Chairman and Chief Executive Officer abroad	DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG RABAT
Chairman abroad	AEP MULTISERVIZI SPA CMT SPA DERICHEBOURG CANADA ENVIRONNEMENT Inc. DERICHEBOURG CANADA MULTISERVICES Inc.	DERICHEBOURG CANADA Inc. SAN GERMANO SRL

Director abroad	AEP MULTISERVI SPA CMT SPA CRS DERICHEBOURG A&D DÉVELOPPEMENT DERICHEBOURG AQUA MAROC DERICHEBOURG IFRANE DERICHEBOURG IMINTANOUT DERICHEBOURG INTÉRIM FORMATION ÉVOLUTION MAROC	DERICHEBOURG KENITRA DERICHEBOURG MAROC DERICHEBOURG MARRAKECH DERICHEBOURG MAZAGAN DERICHEBOURG MEDIO AMBIENTE DERICHEBOURG RABAT ECOREC SRL SAN GERMANO SRL
Permanent representative abroad	BAS LONGS PRÉS (DERICHEBOURG ENVIRONNEMENT) CPI (DERICHEBOURG ENVIRONNEMENT)	DERICHEBOURG BELGIUM (DERICHEBOURG ENVIRONNEMENT)
Co-manager abroad	DERICHEBOURG UK ENVIRONMENT LTD	DERICHEBOURG UK LTD

Other offices held during the last five years

Chairman and Chief Executive Officer	SERAM SA	
Chairman	ECO-PHU REVIVAL CHATILLON REVIVAL GELAINVILLE	REVIVAL ÎLE-DE-FRANCE REVIVAL NEMOURS
Director	SERAM SA	
Permanent representative	DERICHEBOURG OCÉAN INDIEN (DERICHEBOURG)	
Chairman abroad	REI	
Director abroad	REI	
Permanent representative abroad	DERICHEBOURG RETAIL BELGIUM (DERICHEBOURG ENVIRONNEMENT)	

Mrs. Françoise Mahiou, independent director

Mrs. Françoise Mahiou is aged 55, and of French nationality.

On the launch of France's major State projects in 1988, Mrs. Françoise Mahiou was appointed Major Projects Engineer within the integrated Contracting Authority/Project Management team in charge of the design and construction of rail stations for Toulouse's first automatic metro line (Sofretu/Sotec now Systra). This involved engineering, architecture, design, management, and ISO quality aspects, on very tight schedules.

Her Toulouse experience was rounded off with commercial and industrial construction projects for private developers (Sopra/Kaufman&B).

In early 1991, she headed to Paris, where the initiators of the Grand Louvre, Opéra Bastille, and Cité de La Musique are based. She assisted Senator-Mayor Serge Vinçon in the programming of the Pôle de l'Or. For Sodeteg Thomson (nowThalès), she created and managed the Engineering division of public-private commercial buildings using an environmental approach and providing services to contracting authorities and architects – École des Mines de Nantes (Aymeric Zublena), Musée des Champs Libres in Rennes (Christian de Portzamparc), Université de Médecine de Tours (Ivars and Ballet), Extension of Musée Luxembourg Paris (Senate), Due Diligence for Oppenheim, Feasibility study for the City Center of Casablanca (Alliances Accor), and DGAC headquarters (JF Jodry).

In 2004, her dual Engineer/HEC Executive profile enabled her to be appointed General Manager of the Segula Group's Services division, which she developed into an "Energy/Transport/Industry" Process Branch through acquisitions and organic growth, and by winning listings with large corporations including Areva, EDF, Dassault, RATP, Essilor, and others.

From 2007 to 2012, Mrs. Françoise Mahiou headed operations for the AREP Group (a subsidiary of SNCF), in the capacity of Deputy General Manager. She organized a full restructuring with emphasis on CSR: HR (Opinion survey, Barostress, scheme for older employees, incentive scheme, staff commuting schemes, etc.), project-oriented financing, workflow IT systems, legal stability, launch of internal communications, acquisitions (Parvis SAS on January 1, 2010).

In 2012, she was promoted to CSR Officer in charge of disseminating best practices in corporate governance and business ethics. She was then appointed to Head of ASCIUS, a company that provides assistance and advice to senior management, shareholders and their companies (Levi's, NewCo Edeis, Stephenson, Harris, FamilyOffices, etc.), and developed the Operating Partner business line to meet operational and strategic needs, thus creating value for the company and its stakeholders.

Mrs. Françoise Mahiou holds a diploma from ASC SciencesPo/IFA and is a member of the Institut français des administrateurs (the French Institute of Company Directors, IFA).

Mrs. Françoise Mahiou holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman	ASCIUS
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Other offices held during the last five years

None

Mrs. Catherine Claverie, independent director

Mrs. Catherine Claverie, aged 49, of French nationality, is an independent events consultant. Since June 2018, she has been a member of the Board of Directors, and carries out voluntary work at the Dom'asile association, which is involved in domiciliation and support for people in exile. She was the Administrative Coordinator of Business and Technical Language, and is involved in various associative and community work, notably within the British section of the Lycée International of St Germain-en-Laye. Mrs. Catherine Claverie has also been Vice-Chairwoman of Stepping Stones, a school for young English-speaking children.

Mrs. Catherine Claverie holds no other position within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2018

None

Other offices held during the last five years

None

Mrs. Ida Derichebourg, permanent representative of CFER, director

Mrs. Ida Derichebourg, aged 87, of French nationality, is the mother of Mr. Daniel Derichebourg and grandmother of Mr. Thomas Derichebourg and Mr. Boris Derichebourg. She assisted her husband, Mr. Guy Derichebourg, in developing the family business.

Mrs. Ida Derichebourg holds no other positions within the Company or any other Group company.

Offices and/or positions held in another company (outside the Group) during the course of the fiscal year ended September 30, 2018

None

Other offices held during the last five years

None

Independent directors

According to the AFEP-MEDEF Code, an independent director is defined as follows: "A director is independent when he or she has no

relationship of any kind whatsoever with the corporation, its group or its management that may interfere with his or her freedom of judgement."

Criteria to be considered	Bernard Val	Matthieu Pigasse	Françoise Mahiou	Catherine Claverie
Absence of employee/corporate officer status during the previous five years.	✓	✓	✓	✓
Absence of cross-directorships	✓	✓	✓	✓
Absence of significant business relations	✓	✓	✓	✓
Absence of family ties	✓	✓	✓	✓
No auditing relationship within the past five years	✓	✓	✓	✓
No directorship held in the Company for more than 12 years	X	X	✓	✓
Absence of non-executive corporate officer status	✓	✓	✓	✓
Absence of major shareholder status	✓	✓	✓	✓

In compliance with the recommendations of the AFEP-MEDEF Code, the Appointments and Compensation Committee set up following the Board of Directors' meeting of October 22, 2018, issued an opinion on the independence of the members of the Board of Directors based on the independence criteria adopted for the Company. Having taken into account the opinion of the Appointments Committee, the Board of Directors' meeting of December 4, 2018 considered that Mr. Matthieu PIGASSE and Mr. Bernard VAL could be considered as independent directors in spite of a term of office exceeding 12 years, in particular due to their training, as well as the authority and experience that these directors demonstrate in management and business administration, and in financial matters. However, the Board considered that this exemption was only valid until the end of those directors' current terms of office.

Moreover, concerning the business relations criterion for Mr. Matthieu PIGASSE, the Company has not used the services of Banque Lazard for three years.

The Board thus has four independent directors out of a total of eight directors, i.e. more than one-third of Board members.

Representation of women within the Board of Directors

The Board of Directors currently comprises three female members out of a total of eight members, i.e. 37.50%, being close to 40%. The difference between the number of directors of each gender is therefore no more than two, in accordance with the provisions of Article L. 225-18-1 of the French Commercial Code.

2.1.6 Conflicts of interest

By law, and in accordance with the AFEP-MEDEF Code, directors are subject to compliance with the rules in force regarding conflicts of interest and market ethics.

With the exception of:

- ▣ the existing lease between Société des Demueyes, owned by the Derichebourg family and managed by Mr. Daniel Derichebourg, and Revival, for premises in Comines (59), for an annual rent of €34 thousand;
- ▣ the existing lease between Mrs. Ida Derichebourg and Polybuis for the premises located at 106 rue du Moulin de Cage, 92230 Gennevilliers: land used for storing trucks, cloakrooms, offices, for an annual rent of €45 thousand. This lease was entered into before she took office;
- ▣ the service agreement concluded between Derichebourg and DBG Finances, aiming to define the terms and conditions of DBG Finances' input into the definition and oversight of Group strategy (see 2.6.2);
- ▣ the agreement to use the Derichebourg trademark in exchange for royalties concluded with TBD Finances, both companies being controlled by the Derichebourg family (see 2.6.3).

There are no other potential conflicts of interest between the duties of any member of the Board of Directors and their private interests or other duties. Section 2.6 and the Statutory Auditors' special report appearing in section 2.9 show the details of these agreements.

In addition to the applicable provisions of the French Commercial Code concerning regulated agreements, all directors are required to inform the Board of all conflict of interest situations, even if such conflict is only potential, and must abstain from voting on any decision of the Board of Directors for which the existence of a conflict of interest situation would be presumed. There have been no arrangements or agreements made with the principal shareholders, or with customers or suppliers, pursuant to which a member of the Board has been appointed a director of the Company.

Given the four independent directors who serve on the Board of Directors, the Company believes that there is no risk that control of CFER, which holds 40.12% and 56.67% of voting rights, might be exercised improperly.

2.1.7 Functioning of the Board of Directors

The Board of Directors met twice during the fiscal year, with an average attendance rate of 75%. In addition to reviewing and approving the parent company and consolidated financial statements as of September 30, 2017 and preparing documents to submit to the shareholders' combined general meeting on February 7, 2018, the Board discussed and decided the following matters:

Meeting of December 5, 2017

- ▣ Review and approval of the consolidated and parent company financial statements for the year ended September 30, 2017.
- ▣ Proposal for allocation of income.
- ▣ Press release.
- ▣ Review and approval of financial and forecast documents.
- ▣ Review of the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code;
- ▣ CSR report.
- ▣ Corporate governance (report by the Chairman of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code, Remuneration of corporate officers).
- ▣ Share buyback program.
- ▣ Authorization to be given to the Board of Directors to reduce the share capital by canceling shares.

- ▣ Proposal for the appointment of new joint Principal and Alternate Statutory Auditors.
- ▣ Meeting notice for the shareholders' combined general meeting on February 7, 2018.

Meeting of May 22, 2018

- ▣ Review of the half-year consolidated financial statements March 31, 2018.
- ▣ Business report relating to the half-year financial statements; report on activity relating to the Group's two divisions during the period.
- ▣ Press release.
- ▣ Financial and forecast documents at the end of the first half of the fiscal year.
- ▣ Chairman's authorization to provide endorsements, security interests and guarantees.
- ▣ Distribution of attendance fees.
- ▣ Guarantee to be given to a financial institution.

2.1.8 Corporate Governance Code

The Company applies the ADEP-MEDEF Corporate Governance Code for listed companies as revised in June 2018. This code is available on the website www.medef.com.

The table below shows the recommendations of the AFEP-MEDEF Code not yet applied by the Company in accordance with the "comply or explain" rule.

Code article	AFEP-MEDEF recommendation	Implemented by Derichebourg
8.	Term of office of independent directors must not exceed 12 years	No. The Board of Directors' meeting of December 4, 2018 considered that Mr. Matthieu Pigasse and Mr. Bernard Val could be considered independent directors in spite of a term of office exceeding 12 years, in particular due to the authority and experience that these directors demonstrate in management and business administration activities and in financial matters
9	Assessment of the work carried out by the Board of Directors	In addition to harmonious relations between directors, and the rate of participation in Board meetings, the principle of assessment of its work will be implemented during fiscal 2018-2019.
13	Term of office of directors	No. The term of office of directors is currently six years, but the Board has proposed at the next shareholders' meeting to reduce this term to four years for all future renewals and appointments.
23	Signing of a non-competition agreement with a corporate officer	No. Since no director performs an activity in the Group's operating segments or holds any offices in a Group competitor, it was not useful to implement such agreements.

2.1.9 Board rules of procedure

The functioning of the Company's Board of Directors is governed by rules of procedure approved by the Board at its meeting on June 24, 2004 and modified on December 12, 2006, May 27, 2010, and October 22, 2018. These rules can be amended only by the Board of Directors in accordance with the procedures prescribed therein.

These rules of procedure cover the following points:

- ▣ the rules governing the composition of the Board;
- ▣ the Board of Directors' duties;
- ▣ the procedures for convening Board meetings;
- ▣ the procedures for participating in Board meetings by videoconference or teleconference;
- ▣ the requirements for the creation and functioning of specialized committees;
- ▣ the role of the Audit Committee;
- ▣ the role of the Appointments and Compensation Committee;

- ▣ the directors' duty of confidentiality;
- ▣ the directors' duty of independence;
- ▣ the directors' duty of diligence;
- ▣ the scope of the rules of procedure.

In addition to the duties assigned by law and the bylaws, the Board approves strategic choices, budgets, significant acquisitions and disposals, and restructurings and ensures the quality and reliability of the financial and non-financial information and communications distributed to shareholders.

The rules of procedure define the rights and commitments of the directors and place particular emphasis on attendance, confidentiality of the information conveyed, the right of directors to be informed, and restrictions on interventions on Derichebourg stock.

The rules set a minimum of four meetings to be held per fiscal year. Finally, they specify the rules for transcribing minutes of meetings.

2.2 Special committees of the Board of Directors

The special committees make proposals to the Board, each in their own area.

2.2.1 Audit Committee

The Board is assisted by an Audit Committee composed of four directors, of whom three are independent directors, which met three times this past financial year with a participation rate of 67%.

The Audit Committee fulfills the duties assigned to it in Article L. 823-19 of the French Commercial Code. The Audit Committee oversees matters relating to the preparation and auditing of accounting and financial information, in particular:

- ▣ the preparation and disclosure of financial information, in particular through examination of the scope of consolidated companies;
- ▣ the effectiveness of the internal control and risk management systems, their deployment and the implementation of corrective actions where appropriate;
- ▣ the audit of annual financial statements and, if applicable, of consolidated financial statements by the Statutory Auditors;
- ▣ the skills and independence of the external experts on which the Group relies.

In this context, it is the committee's mission to:

- ▣ examine the scope of consolidation and the draft consolidated and corporate financial statements and related reports that will be submitted to the Board of Directors for approval; accounting methods adopted for the preparation of consolidated or corporate financial statements, as well as the appropriate treatment of significant transactions at the Group level;

- ▣ oversee the choice of the consolidation guidelines, the relevance and permanence of the accounting methods adopted for the preparation of the consolidated or corporate financial statements, as well as the appropriate treatment of significant transactions at the Group level;
- ▣ verify with General Management that all legal and financial communications with the stock market authorities are duly completed;
- ▣ assess the degree of satisfaction of the Statutory Auditors with the quality of the information received from the Company's departments in the performance of their assignment and to gather management's comments on the degree of sensitivity of the Statutory Auditors to the Group's business and its environment;
- ▣ examine any information brought to its attention concerning the operations and transactions of the Company that raise an ethical problem and with regard to transactions that, depending on their nature and the person involved, would result in a conflict of interest;
- ▣ ensure that major risks are identified, managed, and reported to it. To this end, it examines the internal control and risk management systems and internal audit program, monitors its progress and the results of the action plans, and informs the Board of improvements that have been or have yet to be made;
- ▣ give an opinion on the appointment or renewal of the Statutory Auditors;
- ▣ ensure the independence and objectivity of the Statutory Auditors.

During fiscal year 2018, the Audit Committee met separately from the Board without the executive officers present. The executive officers may be invited as guests depending on the subject matter, at the request of the members of the committee.

Since October 22, 2018, the Audit Committee has been composed of Mr. Bernard Val (Chairman), Mrs. Françoise Mahiou, Mrs. Catherine Claverie and Mr. Boris Derichebourg.

The main topics examined by the committee in 2017/2018 were the following:

- ▣ report on its work (review of the registration document);
- ▣ issue its opinions and recommendations to the Board on the Chairman's report on the preparation and organization of the Board's work and on the internal control procedures put in place by the Company, as well as on the management report;
- ▣ analyze the corporate social responsibility (CSR) report;
- ▣ examine the annual and half-year consolidated financial statements;
- ▣ identify risks and control mechanisms;
- ▣ review the draft risk mapping.

2.2.2 Appointments Committee and Compensation Committee

The Compensation Committee was made dormant by decision of the Board on October 25, 2005. This committee was reactivated by decision of the Board on October 22, 2018. The establishment of an Appointments Committee was also decided during that meeting. These two committees were merged into a single committee called the Appointments and Compensation Committee, whose mission is to review and make recommendations or proposals to the Board of Directors on the following topics:

- ▣ the composition of the Board of Directors and the functioning of its committees; the separation or combination of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- ▣ the renewal and appointment of new directors;
- ▣ the determination of independent director status under the criteria set out in the AFEP-MEDEF Code;
- ▣ the succession plan for the Company's executive officers;
- ▣ the review of all components that make up the compensation of the Company's executive officers;
- ▣ the review of the amount and the allocation criteria for attendance fees.

This committee consists of Mr. Bernard Val, Mrs. Françoise Mahiou, Mrs. Catherine Claverie and Mr. Thomas Derichebourg.

2.3 The Deputy Chief Executive Officer

Mr. Abderrahmane El Aoufir, aged 57, of French nationality, holds a masters degree in economics – management option from the University of Clermont-Ferrand. He began his career in 1984 in the Financial Department of the Compagnie Française des Ferrailles. He held successive operational and then General Management positions in Spain, the United States, and south-eastern France. In 2006, Daniel

Derichebourg entrusted him with the task of turning around Servisair, the airport services subsidiary. In six years, he managed to increase Ebitda from €5 million to €73 million. After the sale of Servisair in December 2013, Mr. Abderrahmane El Aoufir became Deputy Chief Executive Officer of the Group. He also oversees the operational activities of the recycling subsidiaries.

Offices and/or positions held in another company (within or outside the Group) during the course of the fiscal year ended September 30, 2018

Chairman:	DERICHEBOURG EXPANSION INOREC REFINAL INDUSTRIES	BARTIN RECYCLING VALME TECHNOLOGIES VALRECY FRICOM RECYCLING
Chairman of the Board of Directors	FRICOM RECYCLING	
CEO	DERICHEBOURG ENVIRONNEMENT	FRICOM RECYCLING
Deputy CEO	DERICHEBOURG	
Director	AFM RECYCLAGE FRICOM RECYCLING	HYDROVIDE
Member of the Management Committee	PLASTIC RECYCLING	
Manager	SCI DERICHEBOURG IMMOBILIER	
Chairman abroad	REYFRA	
Manager abroad	DERICHEBOURG UMWELT GmbH	
Director abroad	CRS DERICHEBOURG MAROC DERICHEBOURG MEDIO AMBIENTE SA DERICHEBOURG RECYCLING MEXICO DERICHEBOURG RECYCLING USA INC.	REYFRA SAN GERMANO SRL SELMAR SA

Other offices held during the last five years

Co-manager	COFRAMETAL REFINAL INDUSTRIES	SCI CARSOA
Permanent representative	DERICHEBOURG ÉNERGIE (DERICHEBOURG MULTISERVICES HOLDING)	
Chairman abroad	REYFRA	
Manager abroad	DBG HOLDING GmbH	
Director abroad	REI	

The Company also has Executive Committees for the two divisions as described in section 3.3.3.3.

2.4 Compensation of the members of the Board of Directors and executive officers

2.4.1 Compensation of the non-executive members of the Board of Directors

Each director receives attendance fees whose maximum total amount is voted at the shareholders' ordinary general meeting. This amount was set at €120,000 as from October 1, 2016, by decision of the shareholders' combined general meeting of January 30, 2017. The Board of Directors proposes to the shareholders' meeting to increase this amount to €160,000 from October 1, 2018.

Distribution of attendance fees for fiscal year 2018.

The distribution of attendance fees, within the limit of the maximum amount voted at the shareholders' meeting, is decided by the Board of Directors. At its meeting of May 22, 2018, the Board of Directors decided to distribute attendance fees of €15,000 equally to each of the eight directors. Attendance fees for fiscal year 2017-2018 were paid in November 2018. Mr. Matthieu Pigasse indicated that he did not wish to receive any attendance fees.

As a result, the amount of the attendance fees and other compensation received by the non-executive corporate officers is as follows:

Table of attendance fees and other compensation received by non-executive corporate officers

Table 3, AFEP-MEDEF Code

<i>In thousands of euros</i>		2017-2018	2016-2017
Catherine Clavier	Attendance fees	15	0
	Other compensation	0	0
CFER, represented by Mrs. Ida Derichebourg	Attendance fees	15	13
	Other compensation	0	0
Boris Derichebourg	Attendance fees	15	13
	Other compensation	683	200
Thomas Derichebourg	Attendance fees	15	13
	Other compensation	602	413
Françoise Mahiou	Attendance fees	15	13
	Other compensation	0	0
Matthieu Pigasse	Attendance fees	0	0
	Other compensation	0	0
Bernard Val	Attendance fees	15	13
	Other compensation	0	0
Attendance fees for the Chairman and Chief Executive Officer		15	13
Not claimed		15	13
Total amount voted by the shareholders' meeting		120	90
		Other compensation	613
		1,285	

Compensation other than attendance fees paid to Mr. Boris Derichebourg.

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000 (for each fiscal year).

Mr. Boris Derichebourg is also provided with a Peugeot 508 or equivalent type vehicle by the Group.

Compensation other than attendance fees paid to Mr. Thomas Derichebourg

The compensation was paid by Derichebourg Environnement, under an employment contract, and by DBG Finances in the amount of €13,000 (for each fiscal year).

Mr. Thomas Derichebourg is provided with a Renault Talisman-type or equivalent vehicle by the Group.

2.4.2 Compensation paid to executive officers

It is recalled that in respect of the fiscal year just ended and in accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to executive officers in

respect of their mandates were approved by the shareholders' combined general meeting of February 7, 2018, under a specific resolution for the Chairman and Chief Executive Officer and another resolution for the Deputy CEO.

2.4.2.1 Compensation paid to Daniel Derichebourg, Chairman and Chief Executive Officer

**Summary table of compensation and options and shares granted to Daniel Derichebourg,
Chairman and Chief Executive Officer**

Table 1, AFEP-MEDEF Code

<i>In thousands of euros</i>	09-30-18	09-30-17
Compensation payable for the fiscal year	243	241
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
Value of other long-term compensation plans	0	0
Total	243	241

Summary table of compensation of Daniel Derichebourg, Chairman and Chief Executive Officer**Table 2, AFEP-MEDEF Code**

<i>In thousands of euros</i>	09-30-18		09-30-17	
	Amount owed	Amount paid	Amount owed	Amount paid
Fixed compensation	228	228	228	228
Annual variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Attendance fees	15	15	13	13
Total	243	243	241	241

Information has been provided by DBG Finances, which paid Mr. Daniel Derichebourg's compensation. This company receives the income from the agreement described in 2.6.3.

Mr. Daniel Derichebourg does not receive any compensation in respect of his position as Chief Executive Officer.

Attendance fees were paid by Derichebourg SA.

Mr. Daniel Derichebourg does not have an employment contract with Derichebourg or any company controlled by Derichebourg SA.

Mr. Daniel Derichebourg is provided with a Citroen C2 by the Group.

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, the shareholders' combined general meeting of February 5, 2019 will be called upon to approve the elements of compensation owed or granted to Mr. Daniel Derichebourg in respect of the fiscal year ended September 30, 2018, as presented in this report.

2.4.2.2 Compensation paid to Mr. Abderrahmane El Aoufir, Deputy CEO

Summary table of compensation and options and shares granted to Mr. Abderrahmane El Aoufir, Deputy CEO

Table 1, AFEP-MEDEF Code

<i>In thousands of euros</i>	09-30-18	09-30-17
Compensation payable for the fiscal year	690	487
Value of options granted during the year	0	0
Value of performance shares granted during the year	0	0
Value of other long-term compensation plans	0	0
Total	690	487

Summary table of compensation of Mr. Abderrahmane El Aoufir, Deputy CEO

Table 2, AFEP-MEDEF Code

<i>In thousands of euros</i>	09-30-18		09-30-17	
	Amount owed	Amount paid	Amount owed	Amount paid
Fixed compensation	290	290	287	287
Annual variable compensation	400	400	200	200
Exceptional compensation	0	0	0	0
Attendance fees	0	0	0	0
Benefits in kind				
Total	690	690	487	487

Mr. Abderrahmane El Aoufir's compensation was paid by Coframétal, under a pre-existing employment contract for €671 thousand, and by DBG Finances for €19 thousand.

Mr. Abderrahmane El Aoufir does not receive any compensation in respect of his position as Deputy Chief Executive Officer.

The variable compensation referred to is that paid over the year. Under his employment contract, Mr. El Aoufir may receive a variable compensation component.

Annual variable compensation is determined under performance conditions according to the Group's results based on the following quantitative and qualitative criteria:

- ▣ the quantitative criteria are notably based on financial indicators that enable the Group's financial performance to be assessed (Company's consolidated net income, Ebitda, Group revenue growth);
- ▣ the qualitative criteria are based on continuity objectives and the implementation of the Group's strategy, the achievement of external growth operations, continuing the Group's business development,

the implementation of disposals or acquisitions, and strategic repositioning.

An exceptional portion may, where appropriate, be granted in the event of achievement of specific missions, such as the integration of a significant external growth operation.

Variable compensation is granted in the form of a bonus, after each fiscal year, and after approval of the financial statements depending on the results of the previous fiscal year and the achievement of his/her quantitative and qualitative objectives. There were no outstanding claims in this regard at fiscal year-end.

A Citroën DS 7 or equivalent vehicle is made available to Mr. El Aoufir by the Group.

It is recalled that in accordance with the provisions of Article L. 225-100 of the French Commercial Code, the shareholders' combined general meeting of February 5, 2019 will be called upon to approve the

elements of compensation owed or granted to Mr. Abderrahmane El Aoufir in respect of the fiscal year ended September 30, 2018, as presented in this report.

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, the Board submits for approval by the shareholders' combined general meeting of February 5, 2018, the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional elements comprising the total compensation and benefits in kind attributable to Mr. Abderrahmane El Aoufir as presented in this report.

The Appointments and Compensation Committee of December 3, 2018, proposed to the Board of Directors of December 4, 2018, which accepted them, new modalities for determining the annual variable compensation for the Deputy CEO, with these modalities being applicable to annual variable compensation for fiscal years starting from October 1, 2018. At the same time, the annual fixed compensation for the Deputy CEO, paid in respect of the pre-existing employment contract is modified to €300,000 per year, payable over 13 months.

The annual variable compensation will be equal to a maximum of eighteen months' fixed compensation.

It will be determined according to the following formula:

■ Annual variable compensation = A + B + C, where

- A represents the component of the bonus based on the financial performance for the fiscal year.

A = (Recurring Ebitda for the fiscal year - €120 M)*0.15%. The amount A may not be less than 0, nor exceed 60% of the annual fixed compensation.

- B is designed to take into account multi-year performance.

B = B1+B2+B3. The amount B may not be less than 0, nor exceed 45% of the annual fixed compensation, with

B1 = ((Dividends in respect of the fiscal year n-2 + Dividends in respect of the fiscal year n-1 + Dividends in respect of the fiscal year n)/3)*0.25%

B2 = (((Recurring Ebitda n-2 - €120 M) + (Recurring Ebitda n-1 - €120 M) + (Recurring Ebitda n - €120 M))/3)*0.075%

B3 = 0 if R>3.01,

- €20,000, if R between 2.01 and 3
- €40,000, if R between 1.01 and 2
- €60,000, if R less than or equal to 1, with
- $R = (\text{Leverage ratio } n-2 + \text{Leverage ratio } n-1 + \text{Leverage ratio } n)/3$
- B1, B2, B3 may not be negative.
- C, an amount between 0% and 45% of annual fixed compensation, submitted by the CEO to the Appointments and Compensation Committee, designed to reward the achievement of pre-established individual objectives.
- The Appointments and Compensation Committee reserves the right to propose to the Board to readjust the amount of annual variable compensation at the end of the fiscal year depending on the circumstances and events.

2.4.2.3 Other AFEP-MEDEF tables

Stock options granted during the fiscal year to each executive officer by the issuer and any Group company

Table 4, AFEP-MEDEF Code

Plan no. and date	Type of options (purchase or subscription)	Value of options according to the method adopted for the consolidated financial statements	Number of options granted during the fiscal year	Exercise price	Exercise period
None					

Stock options exercised during the year by each executive officer

Table 5, AFEP-MEDEF Code

Plan no. and date	Number of options exercised during the fiscal year	Exercise price
None		

Performance shares granted during the fiscal year to each executive officer by the issuer or any Group company

Table 6, AFEP-MEDEF Code

Plan no. and date	Number of shares granted during the fiscal year	Value of shares according to the method adopted for the consolidated financial statements	Acquisition date	Availability date	Performance conditions
None					

Performance shares that became available during the fiscal year for each executive officer

Table 7, AFEP-MEDEF Code

Plan no. and date	Number of shares that became available during the fiscal year
None	

Since there are no stock option or performance share award plans, AFEP-MEDEF Code Tables 8 and 9 are not presented.

Summary table of the multi-year variable compensation of each executive officer

Table 10, AFEP-MEDEF Code

Name and position of executive officer	Fiscal year
None	

Table 11, AFEP-MEDEF Code

Executive officers	Employment contract	Supplementary pension scheme	Allowances or benefits due, or likely to be due, as a result of termination or change of position	Allowances under a non-compete clause
Daniel Derichebourg Chairman and Chief Executive Officer Date of beginning of term: Board mtg of 02-10-16 Date of end of term: SM for FY ending 09-30-21	no	no	no	no
Abderrhamane El Aoufir Deputy CEO (non-director) Date of beginning of term: Board mtg of 02-10-16 Date of end of term: SM for FY ending 09-30-21	yes ⁽¹⁾	no	no	no

(1) With the subsidiary Coframétal.

2.5 Transactions in the Company's securities reported by the directors and corporate officers

- CFER, a director of Derichebourg, and whose Chairman is Mr. Daniel Derichebourg, also the Chairman and Chief Executive Officer of the Issuer, declared on January 10, 2018 that it had sold 10% of the Company's share capital in connection with a private placement *via* accelerated book-building. The selling price was €8/share. Following this disposal, CFER owns, directly and indirectly, 40.12% of the Issuer's share capital.
- Mrs. Françoise Mahiou, an independent director, acquired 662 shares of the Company at a unit price of €7.40 on February 27, 2018.
- Subsequent to year-end, Mr. Abderrahmane El Aoufir acquired 10,000 shares of the Company.

2.6 Related party agreements

2.6.1 Provisions concerning related party agreements

(Article 21 of the bylaws)

"Any agreement which links, either directly or through an intermediate person, the Company and its managing director, one of its deputy managing directors, one of its directors, one of its shareholders holding a number of voting rights greater than the percentage set forth in Article L. 225-38 of the French Commercial Code or, where the latter is a company shareholder, the Company which controls it as defined in Article L. 233-3 of the French Commercial Code, must be submitted for prior approval by the Board of Directors.

The same applies to any agreements in which one of the people in the above list has an indirect interest.

Prior authorization is also required for agreements between the Company and any business if the managing director, one of the deputy managing directors or one of the directors of the Company is the owner, general partner, manager, director, member of the Supervisory Board or, in any other way, a manager of that business.

The above provisions are not applicable to any agreements relating to ordinary transactions concluded under normal terms and conditions. Nevertheless, such agreements, except where their purpose or their financial implications are not material for any of the parties, must be brought to the knowledge of the Chairman of the Board of Directors by the interested party.

The Chairman shall then inform the members of the Board and Statutory Auditors of the list of agreements and their purposes."

2.6.2 Service agreement

An agreement was concluded, with effect from January 1, 2012, for an initial three-year term, then renewed with effect from January 1, 2015 and January 1, 2018 for successive three-year periods, with DBG Finances, a company controlled by the family of Mr. Daniel

Derichebourg, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of Group strategy.

The services covered by this agreement are:

- policy making and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events and customer relations;
- assistance with recruiting senior managers;
- legal and tax consultancy services;
- financial, accounting and management support.

For the period from October 1, 2017 to September 30, 2018, DBG Finances invoiced Derichebourg for an amount of €1.7 million under this agreement. This amount was established according to a projected expenditure budget and covers in particular the compensation components paid by this company to Messrs. Daniel Derichebourg, Thomas Derichebourg, Boris Derichebourg and Abderrahmane El Aoufir, as detailed in section 2.4.

2.6.3 Trademark licensing agreement

A trademark licensing agreement effective March 1, 2009 for a fixed period of ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and Derichebourg. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty. At the end of this fixed period of ten years, the contract provides for a tacit renewal from year to year with the right to terminate 30 days before the expiration thereof.

The amount of royalty fees to be paid under this agreement was determined by an independent expert in intellectual property. A review was carried out in 2017, which concluded that the rates applied are not overvalued.

The royalty to be paid under this agreement is 0.07% of the Environmental division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue.

The fee under this contract for the fiscal year was €2,490 thousand.

On December 4, 2018, the Board authorized the signing of a new agreement with the same conditions after consideration of the updated appraisal, for another period of ten years starting March 1, 2019.

2.7 Summary table of delegations of the shareholders' general meeting to the Board of Directors (L. 225-100 of the French Commercial Code)

Date of SM	Type of delegation or authorization	Ceiling/limit	Period of validity	Use during the fiscal year
January 30, 2017	Delegation to issue all securities giving access to the Company's share capital, immediately or in the future, while maintaining preemptive subscription rights for shareholders	€50,000,000 (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until March 29, 2019	None
January 30, 2017	Delegation to issue all securities giving access to the Company's share capital, immediately or in the future, while eliminating preemptive subscription rights for shareholders	€50,000,000 (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until March 29, 2019	None
January 30, 2017	Delegation to increase the share capital by incorporation of reserves, profits, premiums or other amounts whose capitalization is allowed	€50,000,000	26 months from the shareholders' meeting, i.e. until March 29, 2019	None
January 30, 2017	Delegation to issue shares and/or securities giving access to the Company's capital and/or debt securities, by way of an offer within the meaning of Article L. 411-2 II of the French Monetary and Financial Code, while eliminating preemptive subscription rights	€50,000,000 (€500,000,000 in respect of the issue of debt securities)	26 months from the shareholders' meeting, i.e. until March 29, 2019	None
January 30, 2017	Delegation to carry out a capital increase reserved for members of a company savings plan	3% of the amount of the share capital	26 months from the shareholders' meeting, i.e. until March 29, 2019	None
January 30, 2017	Authorization to trade in Company shares	10% of the share capital at a maximum price of €20 per share €327,575,560	18 months from the shareholders' meeting, i.e. until August 6, 2019	None
February 7, 2018	Authorization to reduce the share capital by canceling shares	10% of the share capital	18 months from the shareholders' meeting, i.e. until August 6, 2019	None

2.8 Factors likely to have an impact in the event of a public offering

The following factors are likely to have an impact in the event of a public offering:

- the Company's shareholding structure (see section 3.4);
- the existence of double voting rights under certain conditions (see section 5.8);
- the ability to buy and sell the Company's securities (see section 6.6);
- the use of current authorizations to issue share equivalents (see section 2.7);
- clauses in syndicated loan agreements that require immediate repayment in the event of a change in control of the Company (see note 4.11.5 to the consolidated financial statements);
- the provisions of the trademark licensing agreement entered into with TBD Finances, controlled by the Derichebourg family, and Derichebourg for the use of the Derichebourg trademark (see section 2.6.3).

2.9 Terms of participation by shareholders in shareholders' meetings

Article 28 of the bylaws explains how shareholders may participate in annual shareholders' meetings. "Every shareholder is entitled to attend shareholders' meetings or to be represented thereat, regardless of the number of shares held, provided that all amounts payable on shares are fully paid up. All shareholders may be represented by another shareholder or by their spouse. A proxy can be granted for a single meeting only. A proxy can be granted for two meetings, one ordinary and one extraordinary, if they are both held on the same day or within a period of fifteen days of each other. The proxy shall be valid for all successive meetings convened with the same agenda. All shareholders shall be entitled to vote by mail, in accordance with the requirements set by the legislation and regulations currently in effect.

The Company shall include the information required by the laws currently in effect with all proxy forms and mail ballots that it sends to shareholders.

The owners of shares that are not domiciled in France may be represented by an intermediary registered in accordance with the requirements prescribed by the legislation and regulations currently in effect. In the event of a division of the ownership rights in a share, the holder of the right to vote may attend or be represented at the meeting without prejudice to the right of the beneficial owner to participate at all shareholders' meetings. Joint shareholders may be

represented as specified in Article 12. However, the right to participate in shareholders' meetings shall be conditioned on the registration of the shareholder or of the registered intermediary described hereinabove in the registered share accounts maintained by the Company or its agent, or on forwarding to the place indicated in the notice of meeting a certificate certifying that bearer shares held in a securities account are unavailable until the date of the meeting. These formalities shall be carried out in accordance with the requirements prescribed by the laws and regulations in force at least three days prior to the shareholders' meeting. Every shareholder who owns shares of a particular class shall be entitled to participate in the shareholders' special meetings for such class, in accordance with the requirements specified hereinabove. For the purposes of calculating the quorum and the majority, shareholders who participate in the shareholders' meeting by videoconference or by means of telecommunications allowing them to be identified and in accordance with the applicable laws and regulations shall be considered present, provided the Board of Directors has decided on the use of such means of participation before the shareholders' meeting was convened."

The Board suggested amending this article to update it in light of the relevant provisions of law.

2.10 Statutory Auditors' special report on related party agreements and commitments

To the Derichebourg Shareholders' Meeting,

In our capacity as independent auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying the interest for the Company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general meeting of shareholders

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreement signed during the fiscal year just ended, and subject to prior authorization by your Board of Directors.

Service agreement with DBG Finances

Director involved:

Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and General Partner of DBG Finances.

Purpose and type

Assistance agreement

Your Board of Directors' meeting of December 5, 2017 authorized, for a period of three years starting from January 1, 2018, the renewal of the assistance agreement with DBG Finances by which this latter would take part in managing the Group's policy and in the supervision and control of its subsidiaries, in particular for the provision and centralization of management tools and services in managerial, administrative, financial and commercial areas.

Terms

As part of this agreement, for the period from January 1, 2018 to September 30, 2018, your Company recorded an expense of €1,275,000, excluding taxes, for the fiscal year ended September 30, 2018.

Reasons justifying the agreement's interest for the Company

Your Board justifies this agreement by the following: your Company benefits from human, material and technical resources from DBG Finances to allow it to exercise its activities. It is recalled that DBG Finances takes a direct and active part in managing Derichebourg Group and its subsidiaries as well in as their strategic development.

This new agreement has the same clauses and conditions as that which expired on December 31, 2017.

Agreements and commitments already approved by the general meeting of shareholders

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been advised that the implementation of the following agreements and commitments, which were approved by the general meeting of shareholders in prior years, continued during the year.

1. Derichebourg Trademark licensing agreement

Director involved:

Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and managing director of DBG Finances.

At its meeting on July 2, 2007, the Board of Directors authorized the execution of a licensing agreement for the Derichebourg trademark with TBD Finances, the owner of the trademark.

Your Board of Directors' meeting of December 12, 2008 set the amount of the royalty payment at 0.07% of the consolidated revenue of the Environment division and 0.12% of the consolidated revenue of the Multiservices division.

This agreement took effect on March 1, 2009 for a ten-year term.

The royalty charge for the fiscal year ended September 30, 2018 was €2,490,935 excluding taxes.

2. Service agreement with DBG Finances

Director involved:

Mr. Daniel Derichebourg, Chairman of the Board of Directors and CEO of your Company and General Partner of DBG Finances.

Your Board of Directors' meeting of December 5, 2014 authorized, for a period of three years starting from January 1, 2015, the renewal of the assistance agreement with DBG Finances by which this latter would take part in managing the Group's policy and in the supervision and control of its subsidiaries, in particular for the provision and centralization of management tools and services in managerial, administrative, financial and commercial areas.

This agreement expired on December 31, 2017.

During the fiscal year ended September 30, 2018, DBG Finances invoiced your Company €425,000, excluding taxes, under this agreement for the period from October 1, 2017 to December 31, 2017.

Paris and Paris-La Défense, December 7, 2018

The independent auditors

DENJEAN & ASSOCIÉS AUDIT

Thierry Denjean

BM&A

Eric Seyvos

ERNST & YOUNG Audit

Pierre Abily

Group Management report

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3.1 Significant events during the fiscal year

End to the dispute relating to the acquisition of Rotamfer assets

In May 2018, the Group signed an agreement with Rotamfer to definitively end all litigation associated with an acquisition project initiated in 2007 and abandoned in 2009, due to non-fulfillment of the conditions precedent from the Group's point of view, and to the

Group's wrongful conduct according to the seller. This agreement, which ends ten years of dispute and several litigation proceedings, the outcome of which was uncertain, resulted in a payment of €9.5 million during the second half year, and the abandonment of an advance payment of €15 million, provisioned for several fiscal years.

3.2 Earnings from businesses and financial position

3.2.1 Group results

<i>In millions of euros</i>	2018	2017	Change %
Revenue	2,919.7	2,731.1	6.9%
Recurring Ebitda⁽¹⁾	202.1	202.7	(0.3%)
<i>in % of revenue</i>	6.9%	7.4%	
Recurring operating profit (loss)⁽²⁾	118.3	122.4	(3.4%)
<i>in % of revenue</i>	4.1%	4.5%	
Italy – balance of litigation with Rotamfer	(9.5)		
Italy – balance of CRS-Scrap litigation	(0.6)		
Italy – impact of the sale of household waste collection and waste treatment businesses	(7.0)		
Waste collection – loss against Veolia in first-instance ruling	(3.7)		
Goodwill impairment in Environmental Services to Italian authorities and others		(4.5)	
Provisional negative goodwill, Bartin Recycling		2.4	
Gain/loss on disposal of subsidiaries	(1.2)	2.2	
Operating profit (loss)	96.3	122.5	(21.4%)
Net financial expenses	(11.7)	(16.6)	
Foreign exchange and other gains and losses	(1.1)	(2.3)	
Pre-tax profit (loss)	83.4	103.5	(19.4%)
Income tax	(16.3)	(27.5)	
Income from associates	2.1	0.7	
Net profit (loss)	69.2	76.6	(9.7%)
Income net of tax from discontinued activities	3.4	(0.2)	
Consolidated net income	72.6	76.4	(5.0%)
Attributable to shareholders	71.1	76.0	N/A
Attributable to non-controlling interests	1.5	0.4	

(1) Recurring Ebitda = Recurring operating profit (loss) + depreciation and amortization on property, plant and equipment and intangible assets.

(2) Recurring operating profit (loss) = Operating profit (loss) +/- non-recurring income and expenses.

Consolidated revenue

Revenue for the 2017-2018 fiscal year amounted to €2.9 billion, up 6.9% over the previous year. The Group's two divisions saw an increase in business, despite a turbulent climate in the Metal recycling industry. On a constant exchange rate basis, the increase was 7.6%.

<i>In millions of euros</i>	2018	2017	Change
Environmental Services	2,116.4	1,948.8	8.6%
Multiservices	802.5	781.2	2.7%
Holding companies	0.8	1.0	N/S
Total Group revenue	2,919.7	2,731.1	6.9%

Recurring Ebitda

Recurring Ebitda is in line with that of the previous year, at €202.1 million (vs. €202.7 million). It accounts for 6.9% of revenue. The slight drop in Ebitda in Environmental Services was offset by that of the Multiservices business.

Non-recurring items

Non-recurring items consisted of the following expenses:

- €9.5 million paid to Rotamfer to end all litigation associated with an acquisition project initiated in 2007 and abandoned in 2009, due to non-fulfillment of the conditions precedent from the Group's point of view, and to the Group's wrongful conduct according to the seller. A transaction put an end to ten years of dispute, and several litigation proceedings, the outcome of which was uncertain;
- €0.6 million in additional expenses in respect of a transaction opposing the Italian subsidiary CRS to a former lessor. The transaction amounted to €1.6 million;
- €7 million in respect of the expected loss in the sale of Italian subsidiaries San Germano and CMT (household waste collection and waste treatment). The contract was signed after the sale; however the terms had been accepted during the fiscal year ended;
- €3.7 million in respect of a first-instance ruling by the Commercial Court of Paris under the terms of a judgment in proceedings opposing the Veolia Group to Poly-Environnement subsidiaries (household waste collection) and concerning staff transfer conditions in 2014. The Group has appealed this judgment;

- €1.2 million in respect of a loss on the sale of the companies Plastic Recycling and Hydrovide.

Operating profit (loss)

After taking into account €84.1 million of depreciation (an increase of €3.5 million year-on-year), operating profit was €96.3 million, down 21.4% compared to the previous year.

Profit (loss) before tax

After deducting €11.7 million in financial expenses (down €5.0 million compared to the previous year, which included an expense of €4.5 million for the unwinding of interest rate hedges), and €1.1 million in other net financial expenses, pre-tax profit amounts to €83.4 million (down 19.4%).

Results of discontinued activities

Income net of tax from discontinued activities for €3.4 million reflects the conclusion of the Servisair litigation.

Consolidated net profit

After taking into account corporate income tax of €16.3 million (vs. €27.5 million last year but including a tax adjustment of €6 million in Belgium), consolidated net profit amounts to €72.6 million, down 5% compared to the previous year. Earnings attributable to the shareholders of the consolidating entity amount to €71.1 million.

3.2.2 Environmental Services business

<i>In millions of euros</i>	2018	2017	Change %
Revenue	2,116.4	1,948.8	8.6%
Recurring Ebitda	173.1	177.2	(2.3%)
<i>in % of revenue</i>	8.2%	9.1%	
Recurring operating profit (loss)	102.9	110.2	(6.6%)
<i>in % of revenue</i>	4.9%	5.7%	
Italy – balance of CRS-Scrap litigation	(0.6)		
Waste collection – loss against Veolia in first-instance ruling	(3.7)		
Goodwill impairment in Environmental Services to Italian authorities and others		(4.5)	
Provisional negative goodwill, Bartin Recycling		2.4	
Gain/loss on disposal of subsidiaries		(0.3)	
Operating profit (loss)	98.6	107.8	(8.5%)

The revenue of the *Environmental Services* division increased 8.6% to €2.1 billion (+9.7% at constant exchange rates).

Tonnages sold changed as follows:

<i>In thousand tonnes</i>	2018	2017	Change
Ferrous metals	3,746.0	3,660.9	2.3%
Non-ferrous metals	540.7	544.3	(0.7%)
Total volumes	4,286.6	4,205.2	1.9%

<i>In millions of euros</i>	2018	2017	Change
Ferrous metals	1,016.4	887.2	14.6%
Non-ferrous metals	760.6	738.9	2.9%
Services	339.4	322.7	5.1%
Total Environmental Services revenue	2,116.4	1,948.8	8.6%

This increase is all the more significant since the Recycling business has had to cope with a difficult geopolitical situation since the beginning of the summer.

In that context, Derichebourg's metal recycling business did better than just showing resilience.

Ferrous metals

The ferrous metals market was affected by the trade war fought by the American administration during the summer. Political tensions between the United States and Turkey – which gave rise to trade tensions – led to a drop in Turkish purchases, and consequently downward pressure on ferrous metal prices, probably for a temporary period. Those prices

were 12% higher on average than in the previous year but fell slightly at the end of the fiscal year.

The volumes of ferrous scrap metals processed by the Group increased 2.3%.

The volumes of ferrous scrap metals processed by European subsidiaries increased 3%, while they fell 6% in the Americas region.

It should be noted that, for the first two months of the previous fiscal year, the Group did not consolidate the tonnages of its subsidiary Bartin Recycling, acquired on November 30, 2016.

Unit trading margins held up over the fiscal year, even showing a slightly increase.

Non-ferrous metals

Non-ferrous metal markets were affected by the stiffening of Chinese specifications – which have become drastic in terms of the quality of imported products – and by Chinese tariffs on American exports. These two situations resulted in an influx of recycled American metals on other markets, putting downward pressure on prices (in particular aluminum), temporarily affecting unit margins.

Volumes of non-ferrous metals receded slightly over the fiscal year (-0.7%), yet less than in the first half-year (-3.4%), reflecting an increase in the second half-year (+2.2%), despite particularly difficult market conditions. The average price of the tonnages sold was slightly higher than in the previous fiscal year (+3.6%).

During the year, the Group acquired the assets of an aluminum refinery in Prémery (Nièvre, France). This refinery processes other types of aluminum waste to those of Lomme (Nord, France), and produces different alloys. Annual production is estimated at around 15,000 tonnes. This acquisition fits into the Group's strategy, which aims to

improve vertical integration and keep more added value within the Group.

Moreover, to meet the requirements of Chinese authorities in terms of quality of imported products, and to be able to arbitrate with European markets, the Group pushed ahead with its strategy of adopting cutting-edge technologies for waste sorting. This led to the acquisition at the end of the fiscal year of an optical sorting table to separate the different types of "gray" heavy metals.

In this business line, unit margins were affected by the fall in prices (particular for aluminums) in the second half-year.

Service provisions

Revenue from Service provisions (including public sector services) was up 5.2%, boosted by the winning of a temporary contract for the collection of household waste in Casablanca (Morocco).

For Environmental Services, recurring Ebitda amounted to €173.1 million, down 2.3% compared to the previous fiscal year.

In millions of euros	2018			2017			Change		
	REC	SCOL	Total ENV	REC	SCOL	Total ENV	REC	SCOL	Total ENV
Trade margin Ferrous scrap metal & Nfm	363.3		363.3	361.5		361.5	1.8		1.8
Trade margin Other Products	(4.6)		(4.6)	(1.7)		(1.7)	(2.9)		(2.9)
Service provisions	104.3	235.1	339.4	99.3	223.4	322.7	5.0	11.7	16.8
Net income	463.1	235.1	698.2	459.1	223.4	682.5	4.0	11.7	15.7
Costs	(313.3)	(211.8)	(525.1)	(297.1)	(208.1)	(505.2)	(16.2)	(3.7)	(19.9)
Recurring Ebitda	149.8	23.3	173.1	162.0	15.2	177.2	(12.2)	8.1	(4.1)
Depreciation and amortization	(50.1)	(20.1)	(70.2)	(49.6)	(17.5)	(67.1)	(0.5)	(2.6)	(3.1)
Recurring EBIT	99.7	3.2	102.9	112.5	(2.3)	110.2	(12.8)	5.5	(7.3)

REC: Recycling.

SCOL: Public sector services.

In the recycling business, consolidated net income increased by €5 million.

+€1.8 million on ferrous and non-ferrous metals: unit margins for ferrous scrap metals were stable compared to the previous fiscal year. Unit margins for non-ferrous metals decreased by 5.2%. In both cases, the price curve was less favorable than during the previous fiscal year (ferrous scrap metal) and even unfavorable at the end of the fiscal year (non-ferrous metals). The favorable impact of the continuous increase in prices last year may be estimated at between +€15 million to +€20 million on the results of the previous fiscal year. During the fiscal year just ended, the volume effect was +€9.6 million for ferrous scrap metals and the unit margin effect was €(7) million on non-ferrous metals.

+€1.1 million in net differences between the margin generated on other products processed by the Group and service provisions.

Some cost items increased, notably:

- Additional costs due to the volume effect on ferrous scrap metals: +€3.5 million (energy, maintenance and repairs)

- Personnel: +€2.8 million
- Taxes and duties: +€2.2 million (of which half related to the risk of an additional levy on land taxes)
- Insurance: +€1.5 million, relating to an unfavorable claim.

In the Public sector services business, revenue increased by 5.1%. The latter reflects the winning of a new (temporary) contract for household waste collection in Casablanca (Morocco).

In Public Sector Services, earnings improved significantly (Ebitda up €8.1 million), due in particular to:

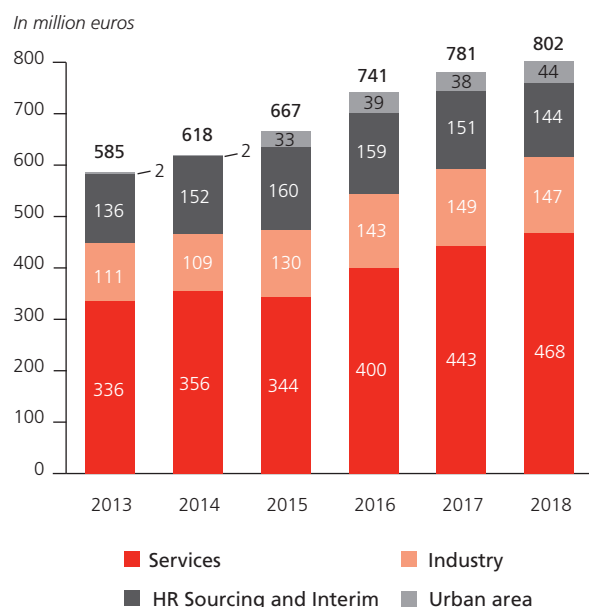
- the improved financial position of a contract in Île-de-France: +€2.0 million;
- the sale of loss-making businesses at the beginning of the fiscal year: +€2.6 million;
- the development of activities in Morocco and Canada: +€4.5 million.

3.2.3 Multiservices business

<i>In millions of euros</i>	2018	2017	Change %
Revenue	802.5	781.2	2.7%
Recurring Ebitda	33.2	29.1	14.1%
<i>in % of revenue</i>	4.1%	3.7%	
Recurring operating profit (loss)	22.1	18.7	18.2%
<i>in % of revenue</i>	2.8%	2.4%	
Operating profit (loss)	22.1	18.7	18.2%

The revenue of the *Multiservices* division grew 2.7% (2.6% at constant scope and exchange rates). This growth mainly stems from the Service business (+5.5%), in particular from Cleaning and related services (France and Portugal) and the Energy business, which saw their revenues rise by 5% and 8% respectively. In contrast, Industry business (-1.8%) and HR Sourcing (-4.3%) receded slightly.

The chart below shows the change in revenue over the past six years.



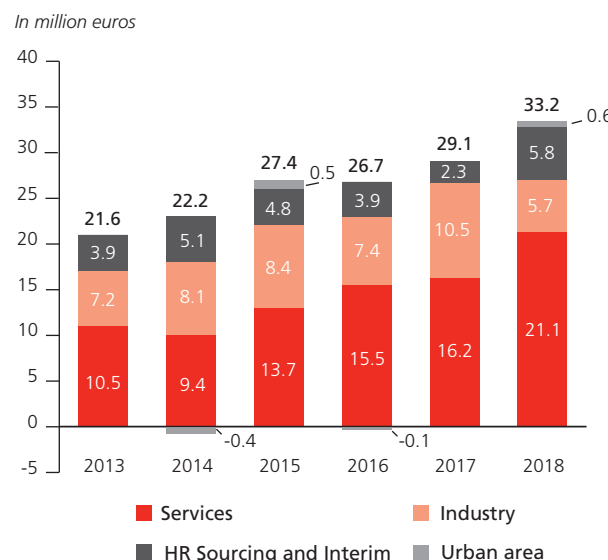
Service Sector Solutions recorded a 5.5% increase in revenue. This rise is attributable to the winning of contracts in the Cleaning business, in particular in the supermarkets sector. The Energy business also posted a further increase (+8%).

Industry Solutions activities declined by 1.8%, as the programs of the main customer (an aircraft manufacturer) required less outsourcing than in the previous fiscal year.

HR Sourcing was down 4.3%, still due to the loss of a major customer two years ago in the aeronautics specialty sector. In non-specialized temporary employment, business activity increased by 5.7%.

Revenue from Urban Area Solutions increased by 16.2%, thanks to the winning of new customers in the Signage segment.

Recurring Ebitda rose by €4.1 million, i.e. 14.1%. Recurring Ebitda for the Multiservices business accounted for 4.1% of revenue.



The historical revenue and Ebitda presented above include the intersegment reclassifications carried out during the 2016-2017 fiscal year.

Recurring Ebitda for Service Sector businesses grew by €4.9 million, i.e. 29.9%. Last year, it had been weighed down by the recognition of a provision for Urssaf adjustment of €3.7 million. Without that impact, the increase amounts to €1.2 million. The growth of business in the Cleaning and Energy segments contributed to the improvement of these results.

Recurring Ebitda for Industry Solutions fell sharply (€(4.8) million, i.e. a 45.5% drop). The Aeronautics business was affected by lower business volume compared to the previous fiscal year, as well as a provision for Urssaf adjustment of €1.3 million. The Sensitive Environments (Nuclear) business encountered difficulties on several contracts, which reduced its recurring Ebitda by €1.8 million.

For the HR Sourcing segment, recurring Ebitda increased by €3.4 million, i.e. 148.9%. In the previous fiscal year, this segment had recorded non-recurring costs of around €1.5 million. These results are largely attributable to the increased margin, due to the growth of non-specialized Interim activity, as well as cost reductions in interim activity in the aeronautics specialty sector.

Recurring Ebitda for Urban Area Solutions became significantly positive, at €0.6 million.

Operating profit increased by €3.4 million, i.e. 18.2%.

3.2.4 Holding companies

<i>In millions of euros</i>	2018	2017	Change %
Revenue	0.8	1.0	(21.1%)
Recurring Ebitda	(4.2)	(3.6)	na
in % of revenue	na	na	
Recurring operating profit (loss)	(6.7)	(6.5)	na
in % of revenue	na	na	
Gain/loss on disposal of subsidiaries	(1.2)	2.5	
Italy – balance of litigation with Rotamfer	(9.5)		
Italy – impact of the sale of household waste collection and waste treatment businesses	(7.0)		
Operating profit (loss)	(24.4)	(4.0)	na

For Holding companies, the change in recurring Ebitda was due to an increase in personnel expenses. Non-recurring items are detailed at the beginning of the section.

Derichebourg SA

The main role of Derichebourg SA – the Group's parent company – is to act as a holding company for the Group's parent-holding companies (Derichebourg Environnement, and Derichebourg Multiservices

Holding). It also holds the securities of Derichebourg Immobilier, the directly or indirect owner of the Group's real estate assets. In addition, it acts as the Group's central corporate treasury and holds the syndicated loan agreements and most of the medium-term loans. Derichebourg SA is also the parent company of the French tax consolidation Group.

Main Company data:

<i>In millions of euros</i>	2018	2017
Revenue	3.2	3.2
Operating income (loss)	(2.0)	(3.6)
Net financial income (loss)	50.5	29.6
Recurring profit (loss) before tax	48.4	26.0
Non-recurring gain (loss)	2.7	35.7
Corporate income tax	17.3	11.9
Net profit (loss)	68.5	73.6

Revenue was stable compared to the previous fiscal year.

An operating loss of €2 million was recognized, i.e. an improvement of €1.6 million over the previous fiscal year. The difference is due to the cost of the sale of Group own shares in 2017 and a commission on an amendment to the syndicated loan agreement in 2017.

Net financial income increased by €21 million. This was attributable to the dividends received from subsidiaries – Derichebourg Environnement (€32 million), Derichebourg Multiservices Holding (€9 million), Derichebourg Immobilier SCI (€3 million), Derichebourg Holding GmbH (€2.6 million) – and to the reversal of provisions for investment securities and current accounts.

This year's non-recurring gain (loss) was mainly attributable to the sale of a real estate asset and Plastic Recycling securities. Last year, it included the capital gain on the sale of own securities.

Corporate income tax constitutes income for the parent company thanks to the tax consolidation mechanism.

Net profit (loss) is significantly positive at €68.5 million.

In accordance with Article L. 441-6-1 of the French Commercial Code, the payment schedule for Derichebourg's trade payables is shown below:

<i>In millions of euros</i>	Due	Not yet due	Total
Non-Group suppliers		1.1	1.1
Intra-Group suppliers		0.3	0.3
Total	0.0	1.4	1.4
Outstanding invoices		1.8	1.8
Total suppliers and related accounts Derichebourg SA	0.0	3.2	3.2

The holding company does not have significant receivables relating to third-parties outside the Group (see schedule of receivables and payables presented in section 3.4 of the notes to the parent company financial statements).

Furthermore:

- ▣ none of the expenses referred to in Article 39-4 of the GTC were incurred over the fiscal year;
- ▣ the Company did not incur any research and development costs. The Group's research and development activities are detailed in 1.1.1.4 and 1.7.2.2;
- ▣ the following investments were made and thresholds crossed during the course of the fiscal year:
 - upward: Derichebourg Océan Indien: thresholds of 33.33% et 50%;
 - downward: Plastic Recycling (sale): 50% and 33.33% thresholds.

3.2.5 Outlook

3.2.5.1 Events occurring after year-end

On October 17, 2018, Derichebourg Environnement signed a contract with Iren Ambiente for the disposal of its household waste collection, urban cleaning and waste processing activities in Italy, carried out through the companies, San Germano and CMT. The completion of this transaction is subject to the fulfillment of several conditions precedent, which should occur by the end of January 2019.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies.

CMT carries out the collection and processing of paper, cardboard and plastic on six sites located in Piedmont and Sardinia.

These activities contributed €60.7 million to consolidated revenue for the 2018 fiscal year (2.1% of total revenue) and 73 million to consolidated revenue for the 2017 fiscal year (2.7% of total revenue). They employ around 900 people.

In application of IFRS 5, the assets and liabilities of San Germano and CMT have been reclassified as held for sale. As the financial conditions for the sale were accepted during the fiscal year, the financial consequences of the disposal (negative impact of €7 million) were included in net income for the fiscal year.

3.2.5.2 Significant changes in the trading position, information on trends

Environmental Services business

Given the increasing societal pressure for waste recycling in developed countries and the advantages of producing steel by electric arc furnace, which uses metal waste, the Group, which has a critical size in its main markets, is very confident in its medium- and long-term development outlooks.

In the shorter term, the recycling activity for the first two months of the 2018-2019 fiscal year stands at a relatively high level, and there are no indicators to date suggesting a dip in the cycle.

Nevertheless, factors generating instability (international trade war), which existed during the second half of the 2017-2018 fiscal year, are still in place. If activity remains at the same level, the Group's results should remain similar to those during the fiscal year ended.

For this reason, the Group remains prudent in its business forecasts for the current fiscal year.

As it has a solid financial structure, this instability could offer interesting external growth opportunities for the Group in markets where it can acquire a critical size

Revenue from the Public sector services business (excluding Italy, currently being sold) should continue to grow, thanks to the renewal and increase in volumes on the Paris household waste collection markets (two additional districts from end-June 2019), corresponding to a doubling of business volumes on these markets), the result of the high quality work provided.

Multiservices Activity

Revenue is expected to continue to grow over the coming fiscal year, mainly in the Service Solutions business, through both organic growth and targeted acquisitions.

The division's profitability should continue to increase.

3.2.5.3 Profit forecasts

The Group does not quantify the profit forecast.

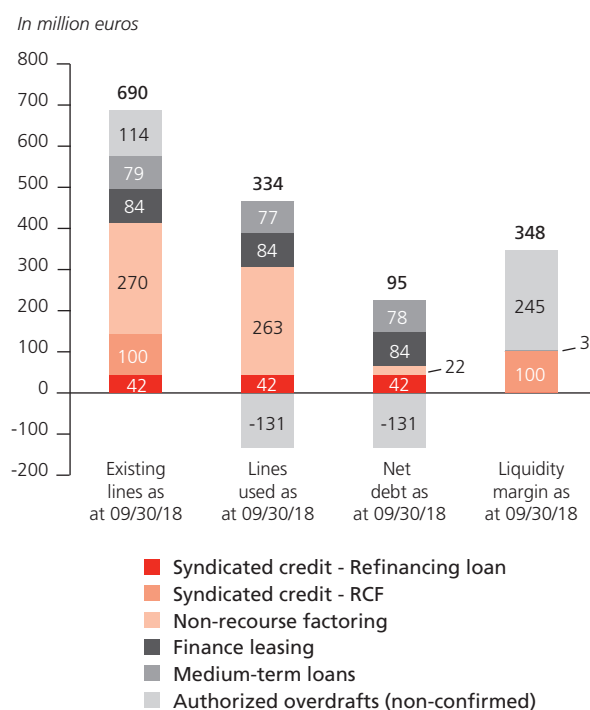
3.2.6 The Group's net financial debt

Opening debt at 09-30-17	110.9
Property, plant and equipment and intangible capital investments	122.9
Recurring Ebitda	(202.1)
Non-recurring items with a counterpart entry in cash and cash equivalents	17.6
Dividends paid	22.9
Acquisitions	2.0
Disposals of companies	(3.4)
Financial expenses paid	11.7
Taxes paid	21.7
Change in working capital requirement	(8.8)
Impact of IFRS 5	(5.4)
Other	5.1
Closing debt at 09-30-18	95.1

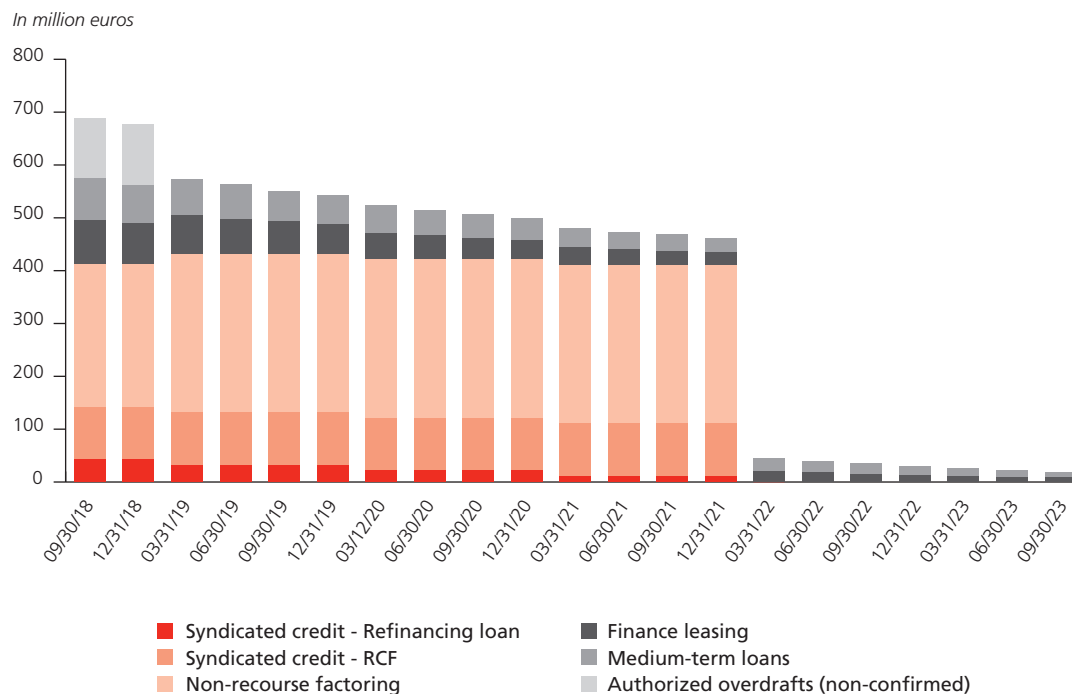
For the 9th consecutive year, the Group's net debt diminished.
Its leverage ratio (net debt to recurring Ebitda) was 0.47 and its gearing ratio (net debt to equity) was 0.19.

The Group has ample leeway to implement its investment projects, and a robust liquidity position.

The following table details the Group's various sources of funding and their use.



The credit line repayment schedule is set out below. The Group deems that its credit lines are sufficient to finance its business and investments for the next 12 months:



A legal approach has been adopted for overdrafts, by refusing to extend them over two months even though, in practice, they can be considered to be longer-term.

3.2.6.1 Cash flow

The cash flow table is included in 4.1.3. Further information on the conditions of the Group's lines of financing can be found in note 4.11 of the notes to the consolidated financial statements.

3.2.6.2 Financing structure and borrowing conditions

The financing structure and borrowing conditions are detailed in note 4.11 to the consolidated financial statements.

At September 30, 2018, the Group was compliant with its financial covenants and had €350 million in undrawn credit lines (excluding factoring lines, and including non-confirmed lines).

3.2.6.3 Restrictions on the use of capital

Restrictions on the use of capital are shown in detail in note 4.11 of the notes to the consolidated financial statements.

3.2.7 Investments

3.2.7.1 Objectives

For many years, the Group has had a policy of regular investment, the objectives of which, by sector, are as follows:

Environmental Services division:

- continued expansion of regional coverage;
- better control of sourcing (material flow) by developing a fleet of collection vehicles and reception centers;
- maintaining the high quality of production equipment and standardizing assets;
- development of plants in urban areas and, in a wider sense, compliance with environmental requirements;
- control, where possible, of the land assets of the sites at which the Group operates;
- vertical integration by setting up specific sorting lines in order to keep added value within the Group through more advanced sorting, and to gradually reduce sterile volumes sent to landfill.

Business Services:

- ▣ development and rationalization of the branch network;
- ▣ purchase of the materials required for the start-up of contracts won.

3.2.7.2 Main investments

The table below shows the main investments made (recognized in asset accounts, independent of the financing mode, use of own shares or leasing):

<i>In millions of euros</i>	2018	2017	2016
Investments in land or infrastructures	21	19	16
Production equipment	67	37	20
Handling and transportation equipment	20	38	22
Other	0	0	0
Environmental Services subtotal	108	94	58
Cleaning	6	7	6
Other Multiservices investments	5	4	5
Multiservices subtotal	11	11	11
Holding companies subtotal	4	2	2
Total property, plant and equipment and intangible investments	123	107	71

The year's investments can be broken down as follows:

- ▣ property acquisition: €11 million;
- ▣ construction of shredders (Bassens): €20 million;
- ▣ acquisition of handling equipment: €12 million;
- ▣ acquisition of trucks: €7 million;
- ▣ acquisition and repair of shears: €7 million;
- ▣ acquisition of sorting lines: €8 million;
- ▣ site fittings: €17 million;
- ▣ household refuse collection dumpsters and related equipment: €17 million;
- ▣ other: €9 million;

Environmental Services total: €108 million.

For Multiservices, investments mainly related to work equipment (single-disc machines and cleaning machinery) and the renewal of vehicles.

In the Environmental Services, the principal investments involved increasing the household waste collection fleet (following contract awards), renewal of the clam-shell grab fleet, additional investments in non-ferrous metals sorting and shredder and shear repairs.

In Multiservices, the investments principally involved the introduction of equipment following contract awards and vehicle renewals.

3.2.7.3 Investments in progress

Engaged investment orders for which invoices had not yet been received, totaled €22 million.

3.3. Risk factors

3.3.1 The risk analysis and monitoring process

An initial mapping exercise covering the Company's general risks was prepared during the year. It is intended to update it at regular intervals. This initial risk mapping was discussed at a special meeting of the Audit Committee on April 6, 2018.

The Board of Directors is kept informed of changes to the Company's principal risks.

In the context of the operating organization, the directors of the operating entities are responsible for identifying and assessing the risks relating to the businesses that they manage. In carrying out this assessment, they are supported by the Group's support services (Financial Department, Secretariat General, Insurance Department, Technical Department, Legal Department and CSR Department).

Two other risk mappings were conducted during the fiscal year: one as part of the application of the provisions of the Sapin 2 law, and the other covering CSR risks.

3.3.2 Overview of principal risks identified and the risk management system

Risks	Risk management systems
Geopolitical risks and economic cycle-related risks	
The introduction of customs barriers leading to the segmentation of international trade could have a negative impact upon the prices and/or volumes of recycled materials processed by the Group.	
The industries that consume the products sold by the Group's Recycling business (steel, metallurgy) are considered to be cyclical. A slowdown in these cycles may affect the profitability of the business.	
The European and Turkish steel industries rely on the strength of domestic steel consumption in China. When this consumption falls, the pressure from low-cost Chinese exports increases and competes with European and Turkish steelmakers.	These exogenous risks cannot be controlled by the Group. A low inventory policy is likely to limit the impacts should situations of this kind arise, as would the policy seeking to protect unit margins.
Country risks	
The Group has indirect exposure (China for non-ferrous metals, Turkey for ferrous scrap metals) to countries outside of Western Europe where the Group carries out its principal business activity. A deterioration in the economic situation of these countries may indirectly affect (lower prices or change in trade flows) the business activity of the Group as a whole.	This risk cannot be completely controlled. A policy of diversifying the Group's customer base contributes to lowering these risks.
Customer risks	
Environmental Services' largest customer represents 15% of its revenue, and the five largest represent around 32%. The financial failure, or a reduction in commercial relations with one of these customers, could affect the Group's profits.	The Group's practice is to monitor, on an almost systematic basis, its customer outstandings, to insert retention of ownership clauses in its contracts, and to obtain the majority of payment for major exports before goods are unloaded. A customer diversification policy is also likely to reduce this risk. The logistical framework (access to ports) needed for this diversification is in place.
Multiservices' largest customer represents 20% of this division's revenue. A significant reduction in services provided could affect the Group's profits.	Regular high-level meetings are held with major customers in order to assess the level of satisfaction of customers and service providers. A customer diversification policy has been initiated. It is likely to reduce this risk in future.
Operating risks	
Prolonged unavailability of industrial equipment without back-up: certain sorting or refining equipment is located at only one Group site. Its prolonged unavailability could significantly affect the Group's business.	The Group has a policy of regularly maintaining its facilities. Intermediate products could be sold in their current condition on less favorable terms. The Group has undertaken to duplicate certain equipment: a second refinery (different technology) has been commissioned and flotation sorting is under consideration.
Major accident at a recycling center (explosion, fire, physical injury, etc.) or a natural disaster (earthquake, flood, etc.) interrupting operations.	The Group has a workplace safety policy (see section 1.4.1 in order to protect its employees. None of the Group's sites handles more than 10% of volumes. Moreover, volumes may be diverted to sites that are geographically close. Lastly, the Group has insurance policies aimed at insuring against insurable financial consequences in the event of such events taking place.

Risks	Risk management systems
The subsidiary Derichebourg Atis Aéronautique carries out the assembly or quality inspection of a large number of aircraft. In the event of an air accident involving an aircraft on which Derichebourg Atis Aéronautique has worked, it could be deemed to be liable.	The aeronautical industry relies on several successive checks of operations. The implementation of Derichebourg Atis Aéronautique's quality policy is verified by its customers. Furthermore, a specific insurance policy has been taken out.
A major strike affecting a number of service activities.	Historically speaking, the number of strike days (see section 1.4.3.1) has been low. The Group endeavors to maintain a high quality professional working environment with accessible management.
Regulatory risks	
The Group exports a significant share of the tonnages of ferrous or non-ferrous metals that it processes. The majority of volumes exported do not require complicated formal procedures. Some exports have to undergo specific formalities (notifications). In the context of a changing regulatory environment, the export of goods that do not comply with specifications could occur, leading to goods being returned and/or fines being applied.	Documents accompanying exported goods are subject to particular care and are prepared by people specializing in this area.
The TGAP (French general tax on polluting activities) collected when shredding residues are sent to landfill could increase significantly and the opportunities for landfill be reduced. Should this situation arise, the Group's profits would be affected.	The eco-design of products is such as to enable the better recycling of end-of-life products. The Group is working to improve the sorting of fractions that are currently not recyclable (light shredding residue, induction waste) as part of one of the CSR targets that it has set itself (see section 1.6.1.2). The success of these initiatives requires commercial streams to be identified that are capable of using the various by-products.
The implementation of the IED directive (Industrial emissions) could require investments to be made, mainly in order to reduce emissions to air from shredders and discharge into water.	These regulations will concern all players in the business. The implementation schedule for these measures will be on a multi-annual (four to five-year) basis.
Financial consequences of unintended non-compliance with employment regulations: the Group employs more than 30,000 employees in labor-intensive service activities. The complex nature of employment management (calculating hours, reductions in contributions, etc.) could lead to significant contribution adjustments despite there being no intention to circumvent the regulations.	In the face of increasing complexity, the Group is bringing together payroll functions in shared service centers in order to share expertise.
As the final operator at all of its operating sites, in the event that activities cease, the Group is responsible for rehabilitating the various sites in accordance with an objective to be agreed with local and regional authorities. The Group endeavors to limit the potential consequences of its activity on the environment, in particular through the presence of concrete slabs, but it does not have detailed knowledge of the history of all of the sites it operates. In the event of a cessation of activities, significant sums could be paid out to restore and to clean up certain sites.	The Group's intention is to continue activity at the vast majority of the sites that it operates. At the few sites where the Group is planning to cease activity, the Group recognizes provisions when it has management plans prepared in accordance with the future state of the site. At September 30, 2018, the amount of the provisions for rehabilitation and decontamination was €6.0 million.
In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive, industrial uses. At the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun between stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.	The Group is not able to determine with sufficient certainty whether it will in fact relocate from the site, and, in this case, the amount of the total decontamination costs that it would be liable to pay.

Risks	Risk management systems
Information technology risks	
A major IT incident (hardware failure, cybercrime, etc.) could affect the Group's activities.	The Group has a reliable IT organization based on duplicating machine rooms, tested failover plans and the regular backup of data. During the next year, the Group will prepare business recovery plans. The Group considers that the majority of its operating activities can continue for several hours in the absence of the Group's IT capabilities.
Legal risks and development risks	
For service activities, the Group may offer services that are in addition to those already offered and this may present costing and performance risks.	The Group endeavors to focus on each of its businesses so that they have sufficient size and experience to address all of their challenges.
Risk of a disagreement with a joint venture partner that could lead to a deadlock or to commitments given by the Group that exceed its share in the Company.	As the Group wholly controls the vast majority of its subsidiaries, such cases are few in number. The potential risks of such situations are regularly reviewed.
Risks related to the consequences of inappropriate behavior	
Risk of fraud (impersonation fraud, factoring fraud, etc.).	Initiatives to raise awareness (for accountants, transfer order signatories, etc.) of these risks, limiting the number of people authorized to work on payment flows.
Reputational risk and risk of being banned for a period from participating in public tender processes following an irregularity in a tender process.	Implementation of the provisions of the Sapin 2 Law, in particular involving training initiatives for employees affected by these matters.
Liquidity risk	
See note 4.11.6 to the consolidated financial statements and section 3.2.6	
Foreign exchange and interest rate risk	
See note 4.12 to the consolidated financial statements.	
Significant ongoing litigation	
See note 4.27 to the consolidated financial statements.	

3.3.3 The internal control system

3.3.3.1 Internal control objectives

The internal control procedures have been put in place by the managing director, the managers and employees of Derichebourg and its subsidiaries. They are intended to provide reasonable assurance that the following objectives are met:

- ▣ the effectiveness and optimization of operations;
- ▣ the reliability of financial information;
- ▣ compliance with laws and regulations currently in effect.

The purpose of internal control is to prevent and control risks inherent in the Company's business and the risk of errors and fraud in the accounting and financial fields, in particular. As with any control system, it cannot provide assurance that risks will be totally controlled or eliminated. Control procedures mainly seek to ensure that managerial actions, transactions and staff behavior comply with the guidelines and rules the Company's governing bodies have set forth to govern the Company's business as well as the applicable laws and regulations.

The purpose of these control procedures is also to ensure that the accounting, financial, legal and economic information provided to the

Company's structures and that may be provided to third parties pursuant to regulatory requirements or as part of the Group's communication policy, is reliable and faithfully reflects the Company's business and position.

3.3.3.2 Description of the general organization of internal control

General control environment

The Group is comprised of a headquarters, the Derichebourg holding company, and two operating divisions:

- ▣ Environmental Services (which includes the real estate companies);
- ▣ Business Services.

The headquarters of the Group's Environmental Services business also contains the Group's General Management and the central operations departments.

Each of the Group's divisions has its specific business, internal-control and risk-management concerns.

The division heads are responsible for conducting business in accordance with the objectives set by the managing director of the Group and deputy managing director, which are under their control.

A delegation of powers system has been put in place to ensure operational efficiency. Each company delegates authority in compliance with common guidelines. Subsidiaries are responsible for the day-to-day management of operations, except for the following activities, which are managed centrally:

- ▣ investment decisions that are considered strategic due to their nature or amount;
- ▣ financing and cash-management policy;
- ▣ insurance;
- ▣ management of executives and wages;
- ▣ the common IT network.

Business systems are a significant factor in the general control environment. Procedures, most of which are written, describe recurrent business procedures in the information systems.

Control activities

Control activities are based on the implementation of a set of policies and procedures defined at the headquarters level, at the two divisions and at the companies that are a part thereof.

The goal of these actions is to provide proper control of the risks likely to affect the accomplishment of the Company's goals. Control procedures are set up and overseen primarily by the managers and employees of the subsidiaries, taking into account the Group's requirements and the specificities of each line of business.

When a control procedure is designed, the goal is that an identified internal control risk does not arise in the Company's business.

Other control activities monitor the activity after it occurs in order to verify that the designed controls were effective, particularly information requests.

Information and communications

The Company's goal is to allow operational and functional managers to have access to relevant information that is circulated quickly enough to enable them to perform their responsibilities efficiently.

Together with the relevant functional departments, the Information Systems Department ("DSI") defines the information systems necessary to properly manage operations and support the Group's strategic objectives.

DSI analyzes and manages the risks related to its systems in order to ensure the availability, integrity and confidentiality of information, in accordance with legal and contractual requirements.

Oversight of internal controls

Certain functional managers at headquarters use networks of experts, who can conduct control actions within each department and transfer know-how from one entity to another.

3.3.3.3 Description of internal control procedures put in place

Main organizational procedures and internal control

In order to meet its operational and financial objectives, the Group has structured its internal control utilizing the following organization.

The Group is composed of a listed holding company that controls parent-holding companies, which in turn oversee the Group's three operational businesses.

Some of the Group's corporate services and support functions have been delegated to Derichebourg Environnement. This centralized organization allows the Group's main guidelines and objectives to be applied in a uniform manner.

The Executive Committees

Each division has its own Executive Committee:

- ▣ an Environmental Committee chaired by the Deputy CEO and composed of the Chairmen of the European subsidiaries of Environmental Services businesses, the HR director, the Chief Financial Officer and other attendees according to the subjects under discussion. This committee meets around once a month;
- ▣ a Multiservices Committee, chaired by the Head of the Multiservices business and composed of the heads of businesses and heads of support functions. Other attendees may also be invited according to the subjects under discussion. This committee meets at least once a quarter.

The role of these committees is to analyze the commercial and financial performance of each Group division, to review market developments, implement Group guidelines and to set operational and financial objectives.

Monthly meetings are also organized for each division in order to review monthly performance.

The Finance Department

- ▣ Ensures that financial transactions are carried out (raising capital in banking markets, financing projects and investments).
- ▣ Manages the Group's cash in cooperation with the divisions, (debt and liquidity) through a reporting system.
- ▣ Analyzes major financial risks together with the divisions (interest rates, foreign currencies) and defines the hedging policies to cover these risks.
- ▣ Analyzes differences between forecasts and actual figures.
- ▣ Participates in the analysis of investment projects and proposed contracts.
- ▣ Ensures the reliability of accounting and management information, in particular by determining at the Group level the type, scope, form and frequency of financial information to be provided by the divisions. It also establishes the financial reporting standards, accounting standards and procedures and the instruments and procedures for consolidating information.

The Legal Department, part of the Secretariat General

- ▣ Manages all of the Company's legal transactions.
- ▣ Provides counsel for operational businesses in France.
- ▣ Manages all legal activities in France.
- ▣ Coordinates the Group's lawyers and legal advice activities.

3.3.3.4 Internal control procedures related to the preparation and processing of financial and accounting information

Internal control procedures related to the preparation and processing of financial and accounting information are mainly prepared under the supervision of General Management by the Financial and Accounting Department, which reports directly to General Management. The operating subsidiaries are responsible for implementation.

Most of these procedures are frequently modified to ensure that they meet the Group's requirements.

The Group's Financial and Accounting Department is responsible for preparing Derichebourg's corporate financial statements and the Group's consolidated financial statements.

For this task it is supported by the following organization:

The role of corporate governance bodies

The Board of Directors reviews and approves the annual financial statements of Derichebourg and the Group's consolidated financial statements. The main accounting options used are brought to the attention of the Audit Committee.

The Group's earnings for the period, consolidated balance sheet and financial position are examined at this meeting.

The Statutory Auditors express their findings upon completion of their audit.

The accounting and financial organization

- ▣ Definition and communication of the Group's accounting policies, both for the corporate financial statements and the consolidated financial statements under IFRS.
- ▣ New legislation and regulations are monitored to assess their potential impact on the Group's accounts.
- ▣ Monthly closing: each subsidiary closes its accounts on a monthly basis. They are then subjected to an accounting analysis and a management analysis by the division's operational and financial staff.
- ▣ Definition and communication of instructions for closing the books. Prior to each stage of the consolidation process, the Accounting Department circulates consolidation packs, closing assumptions (table of rates), the scope of data to be provided and its schedule. This information is sent to the Group subsidiary administrative and financial managers.
- ▣ Development, installation and maintenance of the IT consolidation tools.

- ▣ Standardization of the IT tools (configuration, maintenance, communication and verification of data) secures and harmonizes data processing.
- ▣ Communicating accounting and financial information to the Group's administrative and management bodies, and verifying financial information prior to its circulation.

Information systems

The subsidiaries use the same accounting software in all French entities and in some European services subsidiaries.

There are also "business-specific" applications that record business flows and translate them into accounting flows. Controls are performed to check that transactions are correctly and exhaustively recorded.

To ensure that these applications operate correctly, they are maintained in-house or by a contractor.

3.3.4 Insurance

The Group is particularly conscious of the need to prevent risks and allocates resources and a significant budget to training, site security and a range of programs covering prevention, protection, security, health and the environment.

This risk management nevertheless includes taking out insurance policies with financially sound international insurance companies. It is the responsibility of the Group's Insurance Department, which is managed by the parent company, is to identify the risks, for each business sector, define the correct balance between insurance requirements and guarantees to be entered into, as well as the acceptable levels of policy excesses and ceilings in order to remain competitive.

This is why the decision was taken, from an economy of scale perspective, to negotiate policies at central level. Consequently, all Group entities are covered by so-called "master" insurance policies that are translated into local policies in accordance with the regulations and risks identified locally. Similarly, the Insurance Department uses a "master" underwriter that acts as the conduit to local underwriters in the countries where the Group operates.

In this way, the Group guarantees harmonization and an optimum level of security in its insurance policies, which it reviews whenever necessary, on the basis of information fed back by subsidiaries and claim monitoring. This takes place on at least an annual basis.

Main insurance programs

The Group's insurance policy is based on more than 10 programs including the following main policies:

- ▣ General Public Liability Insurance: covering third-party criminal and contractual liability incurred by the Group in the event of personal injury or material and intangible damage likely to arise in the course of business operations or after delivery;
- ▣ Specific Public Liability Insurance for pollution risks;
- ▣ Airport Public Liability Insurance;

- ▣ Accident insurance: covering direct material damage and consequential operating losses arising from accidents to the insured equipment;
 - ▣ Vehicle Fleet Insurance: working from a common base, these are essentially policies adapted to the needs of local regulations;
 - ▣ Transport Insurance: covering claims arising from maritime, rail and ground transportation between the Group's plants and its customers;
 - ▣ Charterer Insurance;
 - ▣ Ten-Year Insurance for all building-related activities;
 - ▣ Directors' Liability Insurance;
 - ▣ Workers' Compensation insurance, to cover work-related accidents and illness; this system is specific to the United States.
- The total cost of the Group's policies was €13 million at September 30, 2018.

3.4 Shareholder structure and threshold crossing

3.4.1 Shareholder structure

The following table summarizes information about the known shareholders of the Company as at September 30, 2018, the closing date of its most recent fiscal year.

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	65,745,648	40.12	131,491,296	56.67
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,568,021	0.96	1,568,021	0.68
Treasury shares	0	0	0	0
Free float	96,499,217	58.88	98,888,139	42.62
Total	163,878,780	100.00	232,013,350	100.00

* Mr. Daniel Derichebourg's family has ultimate control of CFER and FINANCIÈRE DBG.

As at September 30, 2017, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	82,133,526	50.12	155,719,198	64.93
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	1,739,983	1.06	1,739,983	0.72
Treasury shares	0	0	0	0
Free float	79,939,377	48.78	82,308,387	34.32
Total	163,878,780	100.00	239,833,462	100.00

* Mr. Daniel Derichebourg's family has ultimate control of CFER and FINANCIÈRE DBG.

As of September 30, 2016, the capital ownership structure was as follows:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
CFER*	85,411,102	50.81	162,274,350	68.90
FINANCIÈRE DBG*	65,894	0.04	65,894	0.03
Employees	3,707,417	2.21	3,707,417	1.57
Treasury shares	11,809,103	7.03	0	0
Free float	67,088,514	39.91	69,465,497	29.50
Total	168,082,030	100.00	235,513,158	100.00

* Mr. Daniel Derichebourg's family has ultimate control of CFER and FINANCIÈRE DBG.

3.4.2 Threshold crossing

During the fiscal year, the following threshold crossings occurred at Derichebourg:

Date	Shareholder's name	Threshold crossed
01-10-18	Norges Bank	Above the 5% threshold with 3.70% of voting rights
03-20-18	Numeric Investors LLC	Below the 2% threshold
06-01-18	Norges Bank	Above the 5% threshold with 3.67% of voting rights
06-05-18	Norges Bank	Above the 5% threshold with 3.58% of voting rights
06-12-18	Norges Bank	Above the 5% threshold with 3.49% of voting rights
06-27-18	Norges Bank	Above the 5% threshold with 3.63% of voting rights
06-28-18	Norges Bank	Below the 5% threshold with 3.41% of voting rights
07-19-18	Norges Bank	Above the 5% threshold with 3.67% of voting rights
07-20-18	Norges Bank	Above the 5% threshold with 3.38% of voting rights
07-31-18	Norges Bank	Above the 5% threshold with 3.56% of voting rights
08-10-18	Norges Bank	Below the 5% threshold with 3.48% of voting rights
08-13-18	Norges Bank	Above the 5% threshold with 3.77% of voting rights
08-16-18	Norges Bank	Below the 5% threshold with 3.49% of voting rights
08-20-18	Norges Bank	Above the 5% threshold with 3.73% of voting rights
08-28-18	Norges Bank	Below the 5% threshold with 3.47% of voting rights
08-30-18	Norges Bank	Above the 5% threshold with 3.76% of voting rights

Subsequent to the year-end, Sycomore Asset Management declared that on November 13, 2018 it exceeded the threshold of 2% with 1.50% of voting rights.

3.5 Financial results for the last five fiscal years

<i>In euros</i>	09-30-14	09-30-15	09-30-16	09-30-17	09-30-18
SHARE CAPITAL AT YEAR-END					
Share capital	42,020,508	42,020,508	42,020,508	40,969,695	40,969,695
Total number of ordinary shares outstanding	168,082,030	168,082,030	168,082,030	163,878,780	163,878,780
OPERATIONS AND NET PROFIT OR LOSS FOR THE YEAR					
Gross revenue before sales tax	3,240,637	3,245,564	3,236,195	3,241,419	3,244,195
Earnings before tax, employee profit-sharing and provisions and depreciation ⁽¹⁾	(79,821,651)	6,736,673	1,065,415	39,352,849	42,268,502
Income tax	(12,433,251)	(4,733,957)	(10,064,953)	(11,857,430)	(17,347,138)
Earnings after tax, employee profit-sharing and provisions and depreciation	10,381,714	5,355,844	(1,619,845)	73,475,580	68,486,462
Earnings distributed	0	8,404,102	3,361,641	22,943,029	22,943,029 ⁽¹⁾
EARNINGS PER SHARE (IN EUROS)					
Earnings after tax, employee profit-sharing but before provisions and depreciation ⁽¹⁾	(0.40)	0.07	0.07	0.31	0.36
Earnings after tax, employee profit-sharing and provisions and depreciation	0.06	0.03	(0.01)	0.45	0.42
Net dividend per eligible share	0.00	0.05	0.02	0.14	0.14 ⁽¹⁾
PERSONNEL					
Average number of salaried employees during the year	3	2	2	2	2
Total salaries and wages for the year	346,164	438,219	322,692	391,589	419,161
Amounts paid for social benefits for the fiscal year (social security contributions, other employee benefits, etc.)	156,677	183,302	163,840	198,585	216,271

(1) Subject to approval by the combined shareholders' meeting of February 5, 2018.

3.6 Group organization chart

3.6.1 Group organization and Issuer's position in the Group

Derichebourg's assets mainly comprise:

- ▣ equity interests in two parent-holding companies, Derichebourg Environnement and Derichebourg Multiservices Holding, which each control the operating companies in the appropriate division;
- ▣ shares in DBG Holding GmbH, which owns the Recycling business in Germany;
- ▣ and shares in Derichebourg Immobilier, which owns most of the property assets of Environmental Services.

For the most part, the Group's subsidiaries are financed centrally by Derichebourg, through the syndicated loan set up on March 31, 2014 (and amended on May 5, 2017 and February 2, 2018) with a residual

amount of €142 million (see note 4.11.1.5 to the consolidated financial statements).

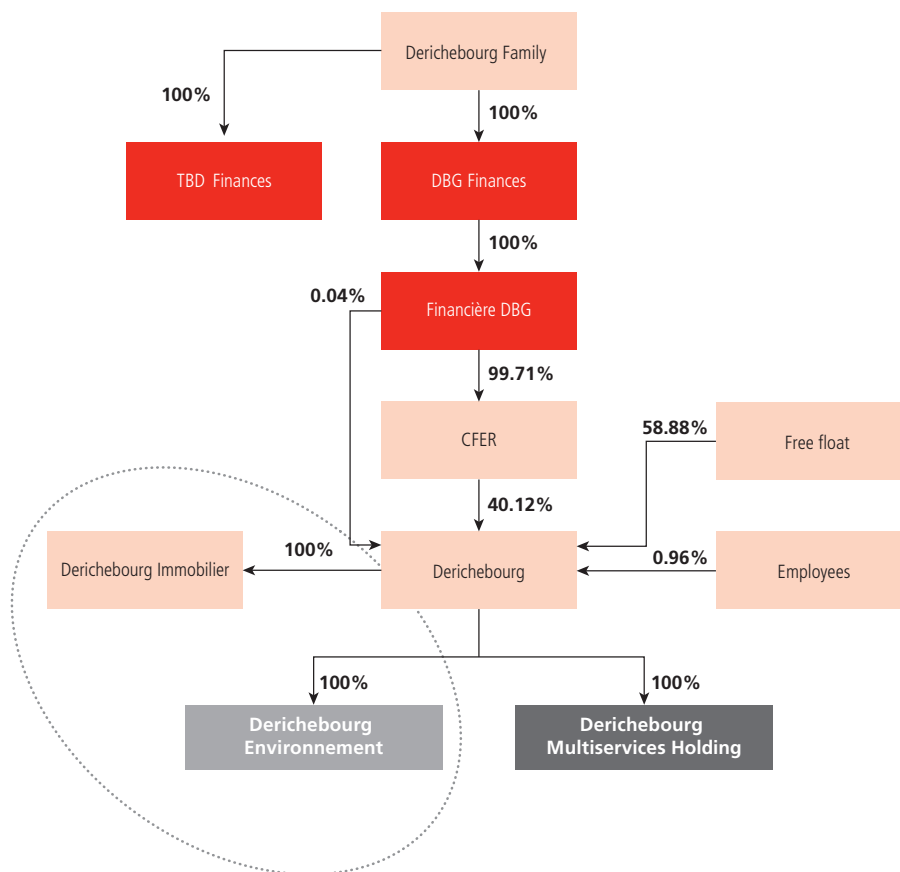
Derichebourg has signed cash agreements with its subsidiaries or sub-subsidiaries to enable current account advances or loans.

3.6.2 Organization chart

To make it easier to read, the organization chart is presented in three parts:

- ▣ summary organization chart of the Group and its shareholders (3.6.2.1);
- ▣ detailed organization chart of Environmental Services (3.6.2.2);
- ▣ detailed organization chart of Business Services (3.6.2.3).

3.6.2.1 Summary organization chart of the Group and its shareholders



The chart above is presented in % holdings. CFER holds 56.67% of the voting rights.